

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

**CUSTOMER NO. 22927**

Appellants: Deidre O'SHEA, Jay S. WALKER, Andrew VAN LUCHENE, Magdalena MIK, Adam STEVENSON, and Scott B. ALLISON

Application No.: 09/535,790

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Title: METHOD AND APPARATUS FOR PROVIDING A COUPON OFFER HAVING A VARIABLE VALUE

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Examiner: ALVAREZ, Raquel

Group Art Unit: 3622

**APPEAL BRIEF**

**BOARD OF PATENT APPEALS  
AND INTERFERENCES**

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Appellants hereby appeal to the Board of Patent Appeals and Interferences from the decision of the Examiner in the Final Office Action mailed May 9, 2006 (Part of Paper No. / Mail Date 03032006).

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**REAL PARTY IN INTEREST**

The present application is assigned to Walker Digital LLC, Two High Ridge Park, Stamford, CT 06905.

**RELATED APPEALS AND INTERFERENCES**

No interferences or appeals are known to Appellants, Appellants' legal representative, or assignee, which will directly affect, be directly affected by, or have a bearing on the Board's decision in the pending appeal.

## STATUS OF CLAIMS

Claims **1-3, 5-21, 23-44** and **46 – 167** are pending in the present application.

Claims **4, 22 and 45** are cancelled.

Claims **75-86, 88-93, 96-143** and **154 – 161** are withdrawn from consideration.

Claims **1-3, 5-21, 23-44, 46-74, 87, 94, 95, 144-153 and 162 – 167** stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,368,129 to Von Kohorn (“Von Kohorn” herein).

Claims **1-3, 5-21, 23-44, 46-74, 87, 94, 95, 144-153 and 162 – 167** are being appealed.

## **STATUS OF AMENDMENTS**

No amendments were filed subsequent to the Final Office Action mailed on May 9, 2006. Appellants appeal the rejections of the claims recited therein based on 35 U.S.C. §103(a).

**SUMMARY OF CLAIMED SUBJECT MATTER**

Concise explanations of the claims being appealed are provided below that include sufficient information about the claimed subject matter so that an informed review of the Examiner's adverse determination of patentability can be made.

As required by 37 C.F.R. § 41.37(c)(1)(v), reference is made to the Specification and Drawings, as appropriate. Any such reference:

(i) is by way of example of the claimed subject matter only;

(ii) is to be considered as potentially useful in clarifying the particular subject matter of the particular independent claim being explained (and not other claims or "the invention" as a whole), unless explicitly stated otherwise; and

(iii) is not to be considered as broadening or narrowing the scope of any recited term from its meaning to one of ordinary skill in the art, unless explicitly stated otherwise.

Of the claims being appealed, claims **1, 48, 58, 87, 94, 95, 144-153 and 162-167** are independent (twenty-two (22) independent claims).

**1. Independent Claim 1**

In accordance with one or more embodiments, a method for changing a benefit associated with a coupon provides for *establishing an initial benefit for a coupon*. See, for example, the specification, page 5, line 32; page 10, lines 1-4; and Fig. 1, step 102.

The method further provides for *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon*. See, for example, specification, page 5, line 32 to page 6, line 1; page 10, lines 4-6; page 14, lines 11-23; page 16, lines 5-14; and Fig. 1, step 104.

The method also provides for *receiving notice of a completion of said at least one qualifying action*. See, for example, specification, page 6, line 1; page 10, lines 7-9; page 77, lines 6-12; Fig. 1, step 106; and step Fig. 20, step 976.

The method further provides for *updating said coupon's benefit in accordance with said benefit variation condition*. See, for example, specification, page 6, line 2; page 10, lines 9-10; page 15, lines 30-33; and Fig. 1, step 108.

**2. Independent Claim 48**

In accordance with one or more embodiments, a method for varying a benefit associated with a coupon provides for *associating an initial benefit with a coupon*. See, for example, the specification, page 5, line 32; page 10, lines 1-4; and Fig. 1, step 102.

The method further provides for *establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon*. See, for example, specification, page 7, line 32 to page 8, line 6; page 10, lines 4-6; page 14, lines 11-23; page 16, lines 5-14; and Fig. 1, step 104.

The method also provides for *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*. See, for example, specification, page 6, lines 1-2; page 10, lines 7-10; page 15, line 30 to page 16, line 2; page 21, lines 16-20; and Fig. 1, step 108.

**3. Independent Claim 58**

In accordance with one or more embodiments, a method for changing a coupon's benefit provides for *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient*. See, for example, the specification, page 26, lines 12-19; and page 27, lines 4-16 and 21-25.

The method further provides for *changing said benefit of said coupon upon receipt of completion of said first qualifying action by said first recipient.* See, for example, specification, page 6, lines 1-2; page 15, line 30 to page 16, line 2; and page 27, lines 13-16.

#### 4. Independent Claim 87

In accordance with one or more embodiments, a method for changing a benefit for a coupon provides for *establishing benefit variation conditions for a coupon, said benefit variation condition including a qualifying action associated with a downstream recipient of the coupon.* See, for example, specification, page 5, line 31 to page 6, line 1; page 15, line 30 to page 16, line 7; and Fig. 1, step 104.

The method further provides for *determining if said benefit variation conditions for said coupon needs to be modified.* See, for example, specification, page 14, lines 24-26; and page 76, lines 24- 31.

The method also provides for *receiving a notice of a completion of said qualifying action.* See, for example, specification, page 6, line 1; page 10, lines 7-9; page 77, lines 6-12; and step Fig. 20, step 976.

The method further provides for *updating said coupon's benefit in accordance with said benefit variation conditions.* See, for example, specification, page 6, line 2; page 10, lines 9-10; page 15, lines 30-33; and Fig. 1, step 108.

## 5. Independent Claim 94

In accordance with one or more embodiments, a system for changing a benefit for a coupon comprises *a memory, a communication port, and a processor connected to said memory and said communication port*. See specification, for example, at page 31, lines 1-7; page 31, line 32 to page 32, line 6; and Fig. 4 (PROCESSOR 200, COMMUNICATIONS PORT 202, and MEMORY 210).

The processor is operative to establish an initial benefit for a coupon, establish a benefit variation condition for said coupon, receive notice of a completion of said at least one qualifying action, and update the coupon's benefit in accordance with the benefit variation condition in the manner recited by claim 1. The description above of those functions of claim 1, including example support in the specification and figures, is equally applicable to claim 94 and thus will not be repeated, for the purposes of brevity.

## 6. Independent Claim 95

In accordance with one or more embodiments, a system for varying a benefit associated with a coupon comprises *a memory, a communication port, and a processor connected to said memory and said communication port*. See specification, for example, at page 31, lines 1-7; page 31, line 32 to page 32, line 6; and Fig. 4 (PROCESSOR 200, COMMUNICATIONS PORT 202, and MEMORY 210).

The processor is operative to associate an initial benefit with a coupon, establish a first qualifying action associated with the coupon, and

change the coupon's associated benefit by a first amount upon receiving notice of a completion of the first qualifying action in the manner recited by claim **48**. The description above of those functions of claim **48**, including example support in the specification and figures, is equally applicable to claim **95** and thus will not be repeated, for the purposes of brevity.

## 7. Independent Claim 144

In accordance with one or more embodiments, a computer readable medium for use in a coupon system, the computer readable medium storing a computer program comprising *computer readable means* for performing the recited functions. See specification, for example, at page 34, line 10 to page 35, line 23.

The computer program stored on the computer readable means is operable for creating an initial benefit for a coupon, for creating a benefit variation condition for the coupon, for receiving notice of a completion of said at least one qualifying action, and for changing the coupon's benefit in accordance with said benefit variation condition in the manner recited by claim **1**. The description above of those functions of claim **1**, including example support in the specification and figures, is equally applicable to claim **144** and thus will not be repeated, for the purposes of brevity.

**8. Independent Claim 145**

In accordance with one or more embodiments, an article of manufacture comprises a *computer usable medium having a computer readable program means embodied therein for operating an information system, the computer readable program means in said article of manufacture operable to* perform the recited functions. See specification, for example, at page 34, line 3 to page 35, line 23 and Fig. 4 (Database 210).

The computer readable program means in the article of manufacture is operable to establish an initial benefit for a coupon, establish a benefit variation condition for the coupon, receive notice of a completion of said at least one qualifying action, and update the coupon's benefit in accordance with the benefit variation condition in the manner recited by claim 1. The description above of those functions of claim 1, including example support in the specification and figures, is equally applicable to claim 145 and thus will not be repeated, for the purposes of brevity.

## 9. Independent Claim 146

In accordance with one or more embodiments, an apparatus for changing a benefit of a coupon comprises:

*means for creating an initial benefit for a coupon;*  
*means for creating a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;*  
*means for receiving notice of a completion of said at least one qualifying action; and*  
*means for changing said coupon's benefit in accordance with said benefit variation condition.* The means for performing the recited functions can be found in the specification, for example, at page 31, line 1 to page 34, line 9, and in Fig. 4 (See, for example, PROCESSOR 200, COMMUNICATIONS PORT 202, CLOCK 204, OUTPUT DEVICE 206, INPUT DEVICE 208, STORAGE DEVICE 210, RAM 212, ROM 214, PROGRAM 220, and DATABASES 222, 224, 226, 228, 230).

The apparatus is operable for creating an initial benefit for a coupon, for creating a benefit variation condition for the coupon, for receiving notice of a completion of said at least one qualifying action, and for changing the coupon's benefit in accordance with said benefit variation condition in the manner recited by claim 1. The description above of those functions of claim 1, including example support in the specification and figures, is equally applicable to claim 146 and thus will not be repeated, for the purposes of brevity.

**10. Independent Claim 147**

In accordance with one or more embodiments, a computer readable medium for use in a coupon system, the computer readable medium storing a computer program comprising *computer readable means for* performing the recited functions. See specification, for example, at page 34, line 10 to page 35, line 23.

The computer program stored on the computer readable means is operable for associating an initial benefit with a coupon, associating a first qualifying action associated with the coupon, and changing the coupon's associated benefit by a first amount upon receiving notice of a completion of the first qualifying action in the manner recited by claim 48. The description above of those functions of claim 48, including example support in the specification and figures, is equally applicable to claim 147 and thus will not be repeated, for the purposes of brevity.

**11. Independent Claim 148**

In accordance with one or more embodiments, an article of manufacture comprises a *computer usable medium having a computer readable program means embodied therein for operating an information system, the computer readable program means in said article of manufacture operable to* performing the recited functions. See specification, for example, at page 34, line 3 to page 35, line 23 and Fig. 4 (Database 210).

The computer readable program means in the article of manufacture is operable to associate an initial benefit with a coupon, establish a first qualifying action associated with the coupon, and change the coupon's

associated benefit by a first amount upon receiving notice of a completion of the first qualifying action in the manner recited by claim 48. The description above of those functions of claim 48, including example support in the specification and figures, is equally applicable to claim 148 and thus will not be repeated, for the purposes of brevity.

## 12. Independent Claim 149

In accordance with one or more embodiments, an apparatus for changing a benefit of a coupon comprises:

*means for associating an initial benefit with a coupon;*

*means for creating a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon; and*

*means for modifying said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.* The means for performing the recited functions can be found in the specification, for example, at page 31, line 1 to page 34, line 9, and in Fig. 4 (See, for example, PROCESSOR 200, COMMUNICATIONS PORT 202, CLOCK 204, OUTPUT DEVICE 206, INPUT DEVICE 208, STORAGE DEVICE 210, RAM 212, ROM 214, PROGRAM 220, and DATABASES 222, 224, 226, 228, 230).

The apparatus is operable for associating an initial benefit with a coupon, for creating a first qualifying action associated with the coupon, and for modifying the coupon's associated benefit by a first amount upon receiving notice of a completion of the first qualifying action in the manner

recited by claim **48**. The description above of those functions of claim **48**, including example support in the specification and figures, is equally applicable to claim **149** and thus will not be repeated, for the purposes of brevity.

### 13. Independent Claim 150

In accordance with one or more embodiments, a system for changing a benefit associated with a coupon comprises *a memory, a communication port, and a processor connected to said memory and said communication port*. See specification, for example, at page 31, lines 1-7; page 31, line 32 to page 32, line 6; and Fig. 4 (PROCESSOR 200, COMMUNICATIONS PORT 202, and MEMORY 210).

The processor is operative to associate a first qualifying action with a coupon, whereby a benefit for the coupon changes upon completion of the first qualifying action by a first recipient of the coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon, and change the benefit of the coupon upon receipt of an indication of completion of the first qualifying action by the first recipient in the manner recited by claim **58**. The description above of those functions of claim **58**, including example support in the specification and figures, is equally applicable to claim **150** and thus will not be repeated, for the purposes of brevity.

**14. Independent Claim 151**

In accordance with one or more embodiments, a computer readable medium for use in a coupon system, the computer readable medium storing a computer program comprising *computer readable means* for performing the recited functions. See specification, for example, at page 34, line 10 to page 35, line 23.

The computer program stored on the computer readable means is operable for creating a first qualifying action associated with a coupon, whereby a benefit for the coupon changes upon completion of the first qualifying action by a first recipient of the coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon, and for modifying the benefit of the coupon upon receipt of an indication of completion of the first qualifying action by the first recipient in the manner recited by claim 58. The description above of those functions of claim 58, including example support in the specification and figures, is equally applicable to claim 151 and thus will not be repeated, for the purposes of brevity.

**15. Independent Claim 152**

In accordance with one or more embodiments, an article of manufacture comprises a *computer usable medium having a computer readable program means embodied therein for operating an information system, the computer readable program means in said article of manufacture operable to* performing the recited functions. See specification, for example, at page 34, line 3 to page 35, line 23 and Fig. 4 (Database 210).

The computer readable program means in the article of manufacture is operable to associate a first qualifying action with a coupon, whereby a benefit for the coupon changes upon completion of the first qualifying action by a first recipient of the coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon, and change the benefit of the coupon upon receipt of an indication of completion of the first qualifying action by the first recipient in the manner recited by claim 58. The description above of those functions of claim 58, including example support in the specification and figures, is equally applicable to claim 152 and thus will not be repeated, for the purposes of brevity.

## 16. Independent Claim 153

In accordance with one or more embodiments, an apparatus for changing a benefit of a coupon comprises:

*means for establishing a first qualifying action associated with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon; and*

*means for modifying said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.*

The means for performing the recited functions can be found in the specification, for example, at page 31, line 1 to page 34, line 9, and in Fig. 4 (See, for example, PROCESSOR 200, COMMUNICATIONS PORT 202, CLOCK 204, OUTPUT DEVICE 206, INPUT DEVICE 208, STORAGE DEVICE 210, RAM 212, ROM 214, PROGRAM 220, and DATABASES 222, 224, 226, 228, 230).

The apparatus is operable for establishing a first qualifying action associated with a coupon, whereby a benefit for the coupon changes upon completion of the first qualifying action by a first recipient of the coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon, and for modifying the benefit of the coupon upon receipt of an indication of completion of the first qualifying action by the first recipient in the manner recited by claim 58. The description above of those functions of claim 58, including example support in the specification

and figures, is equally applicable to claim 153 and thus will not be repeated, for the purposes of brevity.

## 17. Independent Claim 162

In accordance with one or more embodiments, a method for changing a benefit associated with a coupon provides for *establishing an initial benefit for a coupon*. See, for example, the specification, page 5, line 32; page 10, lines 1-4; and Fig. 1, step 102.

The method further provides for *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon*. See, for example, specification, page 3, lines 8-11; page 5, line 32 to page 6, line 1; page 10, lines 4-6; page 14, lines 11-23; page 16, lines 5-14; and Fig. 1, step 104.

The method also provides for *updating said coupon's benefit in accordance with said benefit variation condition unless a notice is received that said at least one qualifying action has not been completed*. See, for example, specification, page 6, line 2; page 10, lines 9-10; page 15, lines 30-33; page 26, lines 19-30; and Fig. 1, step 108.

**18. Independent Claim 163**

In accordance with one or more embodiments, a method for changing a benefit associated with a coupon provides for *establishing an initial benefit for a coupon*. See, for example, the specification, page 5, line 32; page 10, lines 1-4; and Fig. 1, step 102.

The method further provides for *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon*. See, for example, specification, page 3, lines 8-11, page 5, line 32 to page 6, line 1; page 10, lines 4-6; page 14, lines 11-23; page 16, lines 5-14; and Fig. 1, step 102.

The method also provides for *updating said coupon's benefit in accordance with said benefit variation condition unless a determination is made that said at least one qualifying condition has not been completed*. See, for example, specification, page 6, line 2; page 10, lines 9-10; page 15, lines 30-33; page 26, lines 19-30; page 77, lines 6-15; Fig. 1, step 108; and Fig. 20, step 108.

**19. Independent Claim 164**

In accordance with one or more embodiments, a method for varying a benefit associated with a coupon provides for *associating an initial benefit with a coupon*. See, for example, the specification, page 5, line 32; page 10, lines 1-4; and Fig. 1, step 102.

The method further provides for *establishing a first qualifying action associated with said coupon, the first qualifying action being associated*

*with a downstream recipient of the coupon.* See, for example, specification, page 7, line 32 to page 8, line 6; page 10, lines 4 –6; page 14, lines 11-23; page 16, lines 5-14; and Fig. 1, step 104.

The method also provides for *changing said coupon's associated benefit a first amount unless notice is received that said first qualifying action has not been completed.* See, for example, specification, page 6, lines 1-2; page 15, line 30 to page 16, line 2; page 21, lines 16-20; page 26, lines 19-30; and Fig. 1, step 108.

## **20. Independent Claim 165**

In accordance with one or more embodiments, a method for varying a benefit associated with a coupon provides for *associating an initial benefit with a coupon.* See, for example, the specification, page 5, line 32; page 10, lines 1-4; and Fig. 1, step 102.

The method further provides for *establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon.* See, for example, specification, page 7, line 32 to page 8, line 6; page 10, lines 4 –6; page 14, lines 11-23; page 16, lines 5-14; and Fig. 1, step 104.

The method also provides for *changing said coupon's associated benefit a first amount unless a determination is made that said first qualifying action has not been completed.* See, for example, specification, page 6, lines 1-2; page 15, line 30 to page 16, line 2; page 21, lines 16-20; page 65, lines 12-29; page 66, lines 2-5; and Fig. 14, steps 804 and 810.

**21. Independent Claim 166**

In accordance with one or more embodiments, a method for changing a coupon's benefit provides for *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon.* See, for example, the specification, page 26, lines 12-19; and page 27, lines 4-16 and 21-25.

The method further provides for *changing said benefit of said coupon unless a notice is received that said first qualifying action has not been completed, the method being limited to technological arts.* See, for example, specification, page 6, lines 1-2; page 15, line 30 to page 16, line 2; page 26, lines 19-30; and page 77, line 21 to page 79, line 21.

**22. Independent Claim 167**

In accordance with one or more embodiments, a method for changing a coupon's benefit provides for *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon.* See, for example, the specification, page 26, lines 12-19; and page 27, lines 4-16 and 21-25.

The method further provides for *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed, in which at least one of associating and changing is performed*

*via technology.* See, for example, specification, page 6, lines 1-2; page 15, line 30 to page 16, line 2; page 65, lines 12-29; page 66, lines 2-5; Fig. 14, steps 804 and 810; and page 77, line 21 to page 79, line 21.

**GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

Claims **1-3, 5-21, 23-44, 46-74, 87, 94, 95, 144-153, and 162-167** stand rejected under 35 U.S.C. §103(a) as unpatentable over Von Kohorn.

## ARGUMENT

### 1. Form of Appeal Brief Argument

In the arguments herein, limitations of the claims are indicated in *italics*, claim numbers are indicated in **bold**, and the references of record are indicated by underlining.

In separate arguments of patentability for separate claims (or groups of claims), Appellants have, where possible, referred to prior arguments to avoid undue repetition.

In the arguments below, Appellants refer to the Final Office Action, which is the Office Action containing the rejections that are being appealed herein, and which was mailed on May 9, 2006 as part of Paper No. / Mail Date 03032006.

### 2. The Section 103(a) Rejection

#### 2.1. Summary of Argument

The Section 103(a) rejection fails because Von Kohorn cannot support all of the Examiner's assertions as to what was known in the prior art, the Examiner did not make the requisite showing that all claimed subject matter was known based on actual evidence of record, and the record cannot support the Examiner's assertions. Instead, contrary to law, the Examiner has inappropriately relied on mere assertions of what Von Kohorn teaches, inappropriately relied upon "Official Notice" for what was "obvious", and has failed to provide substantial evidence in support of such assertions.

The Examiner has not made a *prima facie* case of obviousness, and we submit that there is no evidence of record that could support a showing of obviousness. Further, even if the evidence of record disclosed the teachings as asserted by the Examiner, there is no teaching, suggestion, or motivation to combine references in the manner proposed to produce any of the specific combinations and / or features of any claim. Also, even if the evidence of record supported the Examiner's purported motivation to combine references as suggested, the resulting combination would fail to teach or suggest all of the specific features of any claim. Accordingly, the Section 103(a) rejections are inappropriate and incorrect, and Appellants respectfully request that the rejections be reversed.

The Section 103(a) rejection is argued separately below for the following Groups of appealed claims:

GROUP I. Claims **1, 2, 9-21, 23-31, 36, 38-44, 46, 47, 94, 144-146**

GROUP II. Claims **3, 5-8, 32-35, and 37**

GROUP III. Claims **48, 49, 55, 56, 95 and 147-149**

GROUP IV. Claims **50-54**

GROUP V. Claim **57**

GROUP VI. Claims **58, 59, 61, 62, 70-74 and 150-153**

GROUP VII. Claim **60**

GROUP VIII. Claims **63-69**

**GROUP IX. Claim 87****GROUP X. Claims 162, 163****GROUP XI. Claims 164, 165****GROUP XII. Claims 166, 167**

The claims in the different Groups do not stand or fall together. Each of the Groups is addressed below under a separate heading.

**2.2. The Proper Legal Standard under 35 U.S.C. § 103(a)**

The Examiner bears the burden of establishing a *prima facie* case of obviousness based upon the prior art. In re Fritch, 23 U.S.P.Q.2D 1780, 972 F.2d 1260, 1265 (Fed. Cir. 1992). To reject claims in an application under Section 103, an examiner must show an unrebutted *prima facie* case of obviousness. In re Rouffet, 47 U.S.P.Q.2D 1453, 149 F.3d 1350, 1355 (Fed. Cir. 1998). If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

The factual predicates underlying an obviousness determination include the scope and content of the prior art, the differences between the prior art and the claimed invention, and the level of ordinary skill in the art. In re Rouffet. The secondary considerations are also essential components of the obviousness determination. In re Rouffet.

When a rejection is based on a combination of references, the Examiner can satisfy the *prima facie* burden only by showing some objective teaching leading to the purported combination of references. In re Fritch. Lacking a motivation to combine references, there is no *prima facie* case of obviousness. In re Rouffet.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. In re Fine, 5 U.S.P.Q.2d 1596, 837 F.2d 1071 (Fed. Cir. 1988); In re Jones, 21 U.S.P.Q.2d 1941 (Fed. Cir. 1992). Prior knowledge in the field of the invention must be supported by tangible teachings of reference materials, and the suggestion to combine references must not be derived by hindsight from knowledge of the invention itself. Cardiac Pacemakers v. St. Jude Medical 72 U.S.P.Q.2D 1333, 381 F.3d 1371, 1376 (Fed. Cir. 2004), *cert. den.* 544 U.S. 1032 (2005). Furthermore, particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed. In re Kotzab, 55 U.S.P.Q.2D 1313, 217 F.3d 1365, 1371 (Fed. Cir. 2000).

A finding of obviousness requires that the art contain something to suggest the desirability of the proposed combination. In re Grabiak, 226 U.S.P.Q. 870, 769 F.2d 729, 732 (Fed. Cir. 1985). In the absence of such a showing, there is inadequate support for the position that the proposed modification would *prima facie* have been obvious. Id. The absence of such a suggestion to combine is dispositive in an obviousness determination.

Gambro Lundia AB v. Baxter Healthcare Corp., 42 U.S.P.Q.2D 1378, 110 F.3d 1573, 1579 (Fed. Cir. 1997).

When the art in question is relatively simple, the opportunity to judge by hindsight is particularly tempting. Consequently, the tests of whether to combine references need to be applied rigorously. McGinley v. Franklin Sports, Inc., 60 U.S.P.Q.2D 1001, 262 F.3d 1339, 1352 (Fed. Cir. 2001). In each case the factual inquiry whether to combine references must be thorough and searching. Id., at 1352 - 53.

During examination, claims are given their broadest reasonable interpretation consistent with the specification. In re Hyatt, 54 U.S.P.Q.2D 1664, 211 F.3d 1367 (Fed. Cir. 2000). The “PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in applicant’s specification.” In re Morris, 44 U.S.P.Q.2D 1023, 127 F.3d 1048, 1054-55 (Fed. Cir. 1997).

### **2.3. Substantial Evidence is Required of All Factual Findings**

In a determination of obviousness, factual findings as to scope and content of the prior art, level of ordinary skill in the art, differences between the claimed invention and the prior art, and secondary considerations of nonobviousness must be supported by substantial evidence. Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001). Moreover, all findings of fact by the U.S. Patent and Trademark Office must be

supported by substantial evidence within the record. In re Gartside, 53 USPQ2d 1769, 1775, 203 F.3d 1305, 1315 (Fed. Cir. 2000).

The Supreme Court has described "substantial evidence" in the following manner:

"Substantial evidence is more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. . . . Mere uncorroborated hearsay or rumor does not constitute substantial evidence."

Consolidated Edison Co. v. NLRB, 305 U.S. 197, 229, 83 L. Ed. 126, 59 S. Ct. 206 (1938); See also, Dickinson v. Zurko, 527 U.S. 150, 162, 50 U.S.P.Q.2D 1930, 144 L. Ed. 2d 143, 119 S. Ct. 1816 (1999) ("Zurko III").

"[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" In re Zurko, 59 U.S.P.Q.2D 1693, 258 F.3d 1379, 1385 (Fed. Cir. 2001); In re Lee, 61 U.S.P.Q.2D 1430, 277 F.3d 1338, 1344 (Fed. Cir. 2002).

Furthermore, where a conclusion of obviousness rests on the prior knowledge in the field of the invention, then that "[p]rior knowledge in the field of the invention must be supported by tangible teachings of reference materials." Cardiac Pacemakers, Inc. v St. Jude Medical, Inc., 72 U.S.P.Q.2D 1333, 381 F.3d 1371 (Fed. Cir. 2004).

## **2.4. Absent Substantial Evidence, No Prima Facie Case Exists**

To reject claims in an application under Section 103, an examiner must show an unrebutted *prima facie* case of obviousness. In re Rouffet, 47 U.S.P.Q.2D 1453, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

The initial burden of presenting a *prima facie* case of obviousness is upon the examiner. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992). If the examiner fails to establish a *prima facie* case, the rejection is improper and will be overturned. In re Rijckaert, 28 U.S.P.Q.2D 1955, 9 F.3d 1531, 1532 (Fed. Cir. 1993); Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

**2.5. GROUP I Claims 1, 2, 9-21, 23-31, 36, 38-44, 46, 47, 94 and 144-146**

Group I claims **1, 2, 9-21, 23-31, 36, 38-44, 46, 47, 94 and 144-146** stand rejected under Section 103(a) as being unpatentable over Von Kohorn. Of these, claims **1, 94, 144, 145 and 146** are independent.

Independent method claim **1** is representative of the independent claims of Group I. In particular, claim **1** recites a method for changing a benefit associated with a coupon, claim **94** recites a system that includes components operative to change the benefit of a coupon in the manner recited by claim **1**, claim **144** pertains to a computer readable medium for use in a coupon system that stores a computer program and has computer readable means for changing the benefit of a coupon in the manner recited by claim **1**, claim **145** recites an article of manufacture including a computer usable medium having a computer readable program means operable to perform the method recited by claim **1**, and claim **146** recites an apparatus having means for changing a benefit of a coupon in the manner recited by claim **1**. Thus, the arguments presented below concerning claim **1** are equally applicable to independent claims **94** and **144-146** and will not be repeated for the sake of brevity.

The rejection of independent claim **1** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has misinterpreted the following limitations found in claim **1**:
  - (i) *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying*

*action that is associated with a downstream recipient of the coupon;*

(ii) *receiving notice of completion of said at least one qualifying action; and*

(iii) *updating the coupon's benefit in accordance with said benefit variation condition;*

- the Examiner has failed to provide substantial evidence for taking “Official Notice” that it is: “...old and well known... for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers” (see Final Office Action, page 3); and
- none of the cited references, alone or in combination, teaches or suggests the claim limitations of:
  - (i) *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;*
  - (ii) *receiving notice of completion of said at least one qualifying action; and*
  - (iii) *updating the coupon's benefit in accordance with said benefit variation condition.*

### **2.5.1. No Prima Facie Showing of Obviousness**

A reading of the rejection of claim 1 reveals that the Examiner has unreasonably interpreted one or more of the limitations of the claim. At least one limitation is not disclosed or suggested by the references of record. Furthermore, Appellants submit that Von Kohorn and MileNet are non-analogous references and thus that the Examiner cannot rely upon MileNet to cure the deficiencies of Von Kohorn. In addition, the Examiner's attempt to provide a motivation to combine Von Kohorn with an article entitled "How MileNet Works" (hereinafter "MileNet") as suggested is flawed. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claim 1.

#### **2.5.1.1. No Showing that Claim Limitations Are in References**

The Examiner rejected claim 1 as unpatentable over Von Kohorn in combination with Official Notice. However, the Examiner has not provided an adequate explanation as to what teaching or suggestion in Von Kohorn, alone or in combination with the MileNet article, teaches or suggests the following limitations of claim 1:

*receiving notice of completion of said at least one qualifying action; and*  
*updating the coupon's benefit in accordance with said benefit variation condition.*

The Examiner cited Von Kohorn at col. 9, lines 34-42 for allegedly teaching a method that includes receiving a notice of completion of a qualifying action, and updating a coupon's benefit in accordance with a

benefit variation condition (see Final Office Action, page 2). But this passage recites:

“A shopper, having received a validated or upgraded coupon, then proceeds to the checkout counter 16, presents the merchandise, surrenders the original or upgraded coupon, is billed for his purchase, and receives value consideration, such as a discount credit. The personnel at checkout counter 16, after deducting the shopper's discount, collects from the shopper the net price of the merchandise, which is paid by the shopper before taking final possession of the products.” (Von Kohorn, col. 9, lines 34-42).

This passage merely describes how a shopper with a store coupon utilizes it to obtain merchandise at a discount from personnel at a checkout counter. Von Kohorn does not describe or suggest receiving notice of any qualifying actions, and also fails to suggest or teach updating a coupon's benefit in accordance with a benefit variation condition.

Furthermore, the Examiner admits that: “Von Kohorn ... does not explicitly teach that one of the qualifying action(s) for varying the coupon is associated with a downstream recipient of the coupon”, which is required by claim 1. (Emphasis added, see Final Office Action, pages 2-3). In an attempt to remedy this deficiency of Von Kohorn, the Examiner took “Official Notice”, stating:

“... that it is “old and well known, in chain referral sales... for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers... It would have been obvious... to have included updating benefit (sic. “the benefit”) of said coupon in association with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon, wherein said second recipient is a downstream

recipient of said first recipient; providing an indication to said first recipient of a completion of said qualifying action by said second recipient in order to obtain the above mentioned advantage." (See Final Office Action, the paragraph spanning pages 2 and 3.)

Appellants challenged this use of "Official Notice" in our Response of March 1, 2006, and consequently the Examiner cited the MileNet article for support (see Final Office Action, paragraph 4, on pages 5-6).

But MileNet describes a shareware computer program that enables a user to obtain frequent flyer miles for every minute that the user is running the program and is connected to the Internet. The user must run the shareware program and have a "MileNet window" visible on his or her desktop to keep a "MileNet counter" incrementing. The user can transmit the MileNet shareware program to a friend who can then install and use it on his or her computer, which may cause the user's "MileNet counter" increment speed to be increased. The friend in turn may send the MileNet shareware program to other friends that could, if the other friends install and use it, cause the user's "MileNet counter" increment speed to be further increased (See page 1 of MileNet).

Appellants respectfully submit that MileNet does not teach or suggest establishing a benefit variation condition for a coupon that includes at least one qualifying action associated with a downstream recipient, or receiving notice of completion of the qualifying action, or of updating the coupon's benefit in accordance with the benefit variation condition. Instead, MileNet teaches how a user can accumulate frequent flyer miles by installing and utilizing a shareware program, and how to increase the rate of accumulation

of frequent flyer miles by promulgating the shareware program to others who then must also install and use it.

Appellants submit that the Examiner's use of "Official Notice" fails at least because no evidence has been provided to support the assertion that it is "old and well known, in chain referral sales, multi-level business pyramids or the like for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers". Furthermore, no evidence has been provided to support the notion that increasing the value of a coupon based on the actions of a recipient was known.

In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claim 1. Accordingly, no *prima facie* case of obviousness has been made for claim 1.

#### **2.5.1.2. Von Kohorn and MileNet Are Not Analogous References**

To rely on a reference under 35 U.S.C. § 103, it must be analogous prior art. See, e.g., In re Clay, 23 USPQ2d 1058, 1060, 966 F.2d 656, 658 (Fed. Cir. 1992); MPEP 2141.01(a).

The Examiner must determine what is "analogous prior art" for the purpose of analyzing the obviousness of the subject matter at issue. MPEP 2141.01(a). Whether a reference is analogous art is a question of fact that the court reviews for substantial evidence. In re Clay, 23 USPQ2d 1058,

1060, 966 F.2d 656, 658 (Fed. Cir. 1992); In re GPAC, 57 F.3d 1573, 1577 (Fed. Cir. 1995); In re Bigio, 381 F.3d 1320 (Fed. Cir. 2004).

Two separate tests define the scope of analogous prior art:

(1) whether the art is from the same field of endeavor, and

(2) if the reference is not within the field of the inventor's endeavor, whether the reference still is reasonably pertinent to the particular problem with which the inventor is involved.

See, e.g., In re Oetiker, 24 USPQ2d 1443, 1445, 977 F.2d 1443, 1446 (Fed. Cir. 1992). See also, In re Deminski, 230 USPQ 313, 796 F.2d 436 (Fed. Cir. 1986); In re Clay, 23 USPQ2d 1058, 1060-61, 966 F.2d 656, 659 (Fed. Cir. 1992) ("A reference is reasonably pertinent if, even though it may be in a different field from that of the inventor's endeavor, it is one which, because of the matter with which it deals, logically would have commended itself to an inventor's attention in considering his problem.").

Applying the proper legal standard, it is clear that Von Kohorn and MileNet are not analogous references. As explained above, Von Kohorn discloses methods and systems pertaining to retail store discount coupons wherein coupon values and winners are *randomly* determined (See Von Kohorn, col. 1, lines 64-66 and col. 2, lines 22-25). In contrast, MileNet discloses a shareware computer program that provides for *systematically* increasing the frequent flyer miles of users. Thus, these references are in different fields. Furthermore, the MileNet shareware computer program is

not reasonably pertinent to the problems purportedly solved by Von Kohorn of introducing fun and excitement into retail store couponing efforts, generating heightened shopper interest by introducing an element of gaming and prize winning to attract shoppers to stores, and stimulating shopper interest without interfering with normal traffic flow or checkout counter procedures of the stores (See Von Kohorn, col. 1, lines 35-45). Accordingly, Appellants submit that the Examiner cannot rely upon MileNet to remedy the deficiencies of Von Kohorn.

#### **2.5.1.3. No Motivation to Combine Provided**

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so that is found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. Appellants respectfully assert that one skilled in the art would not combine Von Kohorn and MileNet without some teaching or suggestion, which has not been shown.

In particular, Von Kohorn discloses retail store discount coupon methods and systems that randomly determine coupon values and that randomly determine winners (See Von Kohorn, col. 1, lines 64-66 and col. 2, lines 22-25). Von Kohorn emphasizes that such operation is similar to how slot machines operate, and that such operation advantageously “add(s) excitement to the shopping experience” and “adds to the interest and involvement of shoppers standing in a checkout counter line” (See Von Kohorn, col. 1, line 54 to col. 2, line 34, and the Abstract). No where in Von Kohorn is it taught or suggested to update the value of the coupon once it is

issued to the shopper, much less to update the value of the coupon based on a qualifying action of a downstream recipient.

In contrast to Von Kohorn's retail store discount coupon framework, MileNet pertains to a shareware computer program for increasing frequent flyer miles by using the Internet. The MileNet disclosure does not even hint at any methods for changing a benefit associated with retail store coupons, much less one which establishes a benefit variation condition having at least one qualifying action associated with a downstream recipient of the coupon, receiving notice of completion of the qualifying action, and updating the coupon's benefit in accordance with the benefit variation condition.

Furthermore, Appellants respectfully assert that the feature of *randomly* determining coupon values taught by Von Kohorn is *contrary* to the operation taught by MileNet of *systematically* providing frequent flyer miles to a user running the shareware program. We therefore submit that MileNet would not be used by one of ordinary skill in the art to supplement or clarify the teachings of Von Kohorn.

Moreover, the motivation proffered by the Examiner for combining Von Kohorn and the teachings of MileNet is flawed. The Examiner provided the following assertion:

“It would have been obvious to one of ordinary skill in the art ... to have included in the invention of Von Kohorn the teachings of MileNet because such a modification would allow the users to increase their points based on their friends and families actions.” (Final Office Action, page 6.)

This motivation fails for several reasons:

(i) First, the asserted motivation would not have prompted one of ordinary skill in the art to make the proposed combination at least because such a combination would necessarily have to obviate either the required random generation of coupon values and the *random* determination of winners taught by Von Kohorn, or disregard the key feature taught by MileNet of *systematically* awarding frequent flyer points to a user running the shareware program.

(ii) Second, it is not understood how one skilled in the art would have applied the teachings of MileNet to that of Von Kohorn to allow “users to increase their points based on their friends and families actions” because Von Kohorn has nothing whatsoever to do with accumulating “points”. In fact, as explained above, Von Kohorn teaches to randomly determine winners and coupon values, and once issued to the shopper, the coupon has a static value that does not vary and cannot be updated.

Consequently, Appellants respectfully assert that the Examiner has not provided any basis for modifying Von Kohorn as suggested, and thus has not met the requirements for establishing a *prima facie* case of obviousness.

#### **2.5.1.4. No Showing of Level of Ordinary Skill in the Art**

Moreover, the Examiner has failed to resolve (or even identify) the level of ordinary skill in the pertinent art as required by the Supreme Court. Graham v. John Deere Co., 383 U.S. 1, 17 (1966). Consequently, Appellants submit that the Examiner is unable to determine what “would have been obvious to one of ordinary skill in the business art” at the time of the invention.

### **2.5.2. Conclusion**

We submit that the Examiner has not established a *prima facie* case of obviousness with respect to claim 1 at least because there has been no substantial evidence to support the Examiner's assertions that all of the limitations of claim 1 are taught by the references of record, alone or in combination. Furthermore, Von Kohorn and MileNet are not analogous references, and thus would not be combined by one of skill in the art as suggested. Accordingly, neither reference provides a motivation to combine with the other in any manner that renders claim 1 obvious. Yet further, any other combination of the references of record also fails to teach or suggest the limitations recited by claim 1.

As noted above, claim 1 is representative of the independent claims of Group I, and thus the Examiner has also failed to establish a *prima facie* case of obviousness of independent claims **94 and 144-146**, and of dependent claims **2, 9-21, 23-31, 36, 38-44, 46 and 47**. Thus, the Section 103(a) rejection of the Group I claims cannot stand and should be reversed.

## **2.6. GROUP II Claims 3, 5-8, 32-35 and 37**

Group II claims **3, 5-8, 32-35, and 37** stand rejected under Section 103(a) as being unpatentable over Von Kohorn. These claims depend directly or indirectly on independent claim 1, and Appellants submit that the rejection of claims **3, 5-8, 32-35, and 37** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has failed to provide any evidentiary support for the rejections of claims **3, 5-8, 32-35, and 37**;
- none of the cited references, alone or in combination, teaches or suggests the claim 1 limitations of:
  - (i) *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;*
  - (ii) *receiving notice of completion of said at least one qualifying action; and*
  - (iii) *updating the coupon's benefit in accordance with said benefit variation condition;*
- the Examiner has failed to provide substantial evidence that the claim limitations recited by claims **3, 5-8, 32-35, and 37** are taught or suggested by the cited art.

### **2.6.1. No Prima Facie Showing of Obviousness**

A reading of the rejection of the Group II claims **3, 5-8, 32-35, and 37** reveals that the Examiner has failed to provide any support for the rejection of these claims. Furthermore, none of the references teaches or suggests the

claim 1 limitations of *establishing a benefit variation for a coupon that includes at least one associated qualifying action associated with a downstream recipient, receiving notice of completion of the qualifying action, and updating the coupon's benefit in accordance with the benefit variation condition.* In addition, at least one limitation of each dependent claim is not disclosed or suggested by Von Kohorn. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claims **3, 5-8, 32-35, and 37**.

#### **2.6.1.1. Rejections based on assertions with no evidentiary support whatsoever**

The Group II claims **3, 5-8, 32-35 and 37** stand rejected based on no factual assertions, and thus this rejection has no support in the record. Accordingly, since there is no substantial evidence for this rejection, a *prima facie* case of obviousness has not been made. Without a *prima facie* showing of obviousness in the record, Appellants have no obligation to rebut or otherwise demonstrate patentability of these claims.

In particular, in the second paragraph of page 4 of the Final Office Action, the Examiner writes:

“Claims 3-8, 32-35, 37, 50-54, 57, 60, 63-69, further recite updating benefit of said coupon in association with a first recipient of said coupon in association with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon, wherein said second recipient is a downstream recipient of said first recipient; providing and indication to said first recipient of a completion of said qualifying action by said second recipient” (Final Office Action, page 4, second paragraph.)

Appellants noted in the Pre-Appeal Brief Request for Review filed on October 9, 2006 that the Examiner did not recite any specific reasons and / or support in the Final Office Action to reject these claims. The above quoted paragraph merely recites verbiage taken from the pending claims. Since we were unable to determine the exact grounds for rejection, Appellants requested a further Office Action to address this issue (see page 2 of the Pre-Appeal Brief Request). However, the Notice of Panel Decision from Pre-Appeal Brief Review required submission of this Appeal Brief to the Board of Patent Appeals and Interferences because "there is at least one actual issue for appeal" (See Notice dated December 1, 2006; Part of Paper No. 20061115).

In view of the above remarks, Appellants respectfully assert that a *prima facie* case of obviousness has not been made.

#### **2.6.1.2. No *Prima Facie* Showing of Obviousness of Claim 1**

As mentioned above, the Group II claims **3, 5-8, 32-35, and 37** depend directly or indirectly on independent claim **1**, and thus further define the method for changing a benefit associated with a coupon. As explained in detail above in Section 2.5, the Examiner has failed to make a *prima facie* showing of obviousness of claim **1** at least because none of the cited references, either alone or in combination, teaches or suggests the limitations of:

- (i) *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;*

- (ii) receiving notice of completion of said at least one qualifying action; and
- (iii) updating the coupon's benefit in accordance with said benefit variation condition.

Accordingly, a *prima facie* case of obviousness of dependent claims **3, 5-8, 32-35, and 37** has not been demonstrated for at least the same reasons set forth in Section 2.5 concerning claim **1**, and we incorporate Section 2.5 by reference herein for the sake of brevity.

#### **2.6.1.3. No Showing that the Claim Limitations of Claims 3, 5-8, 32-35 and 37 are in the References**

As best understood, the Examiner rejected claims **3, 5-8, 32-35 and 37** as unpatentable over Von Kohorn. However, as explained above, the Examiner failed to provide any explanation as to portion(s) of Von Kohorn teach or suggest the following limitations:

*wherein said updated benefit of said coupon is associated with a first recipient of said coupon and said downstream recipient comprises a second recipient of said coupon. (claim 3)*

*providing an indication to said first recipient of a completion of said qualifying action by said second recipient. (claim 5)*

*wherein said qualifying action includes at least one of the following:*  
*said second recipient registering said coupon;*

*said second recipient redeeming said coupon; or  
said second recipient forwarding said coupon. (claim 6)*

*wherein said benefit variation condition has a second  
associated qualifying action. (claim 7)*

*wherein said second qualifying action includes at least one of  
the following:*

*said first recipient registering said coupon;  
said first recipient redeeming said coupon; or  
said first recipient forwarding said coupon. (claim 8)*

*tracking at least one hierarchy of recipients of said coupon.  
(claim 32)*

*creating a hierarchy of recipients of said coupon. (claim 33)*

*wherein said coupon's benefit increases a first amount if an  
initial recipient of said coupon forwards said coupon to a  
primary recipient. (claim 34)*

*where said coupon's benefit increases a second amount if said  
primary recipient of said coupon forwards said coupon to a  
secondary recipient. (claim 35)*

*where said coupon's benefit increases a third amount if said secondary recipient of said coupon forwards said coupon to a tertiary recipient. (claim 37)*

Appellants carefully reviewed Von Kohorn and could not find any portion(s) that teaches or suggests any of the claim limitations set forth above. In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claims **3, 5-8, 32-35 and 37**.

#### **2.6.2. Conclusion**

We submit that the Examiner has not established a *prima facie* case of obviousness of dependent claims **3, 5-8, 32-35, and 37** at least because no support has been provided for the rejection of these claims. Furthermore, none of the references teaches or suggests the claim **1** limitations of *establishing a benefit variation for a coupon that includes at least one associated qualifying action associated with a downstream recipient, receiving notice of completion of the qualifying action, and updating the coupon's benefit in accordance with the benefit variation condition.* Furthermore, no substantial evidence has been provided to support the Examiner's assertions that all of the limitations of claims **3, 5-8, 32-35, and 37** are taught by the cited references. Thus, the Section 103(a) rejection of Group II claims **3, 5-8, 32-35 and 37** cannot stand and should be reversed.

## **2.7. GROUP III Claims 48, 49, 55, 56, 95 and 147-149**

Group III claims **48, 49, 55, 56, 95 and 147-149** stand rejected under Section 103(a) as being unpatentable over Von Kohorn. Of these, claims **48, 95, 147, 148 and 149** are independent.

Independent method claim **48** is representative of the independent claims of Group III. In particular, claim **48** recites a method for varying a benefit associated with a coupon, claim **95** recites a system that includes components operative to vary a benefit associated with a coupon in the manner recited by claim **48**, claim **147** pertains to a computer readable medium for use in a coupon system that stores a computer program and has computer readable means for changing the coupon's associated benefit in the manner recited by claim **48**, claim **148** recites an article of manufacture including a computer usable medium having a computer readable program operable to perform the method recited by claim **48**, and claim **149** recites an apparatus having means for modifying the coupon's associated benefit in the manner recited by claim **48**. Thus, the arguments presented below concerning claim **48** are equally applicable to independent claims **95** and **147-149** and will not be repeated for the sake of brevity.

The rejection of independent claim **48** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has misinterpreted the following limitations found in claim **48**: (i) *establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon; and* (ii) *changing said coupon's*

*associated benefit a first amount upon receiving notice of a completion of said first qualifying action;*

- the Examiner has failed to provide substantial evidence for taking “Official Notice” that it is: “...old and well known... for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers” (see Final Office Action, page 3); and
- none of the cited references, alone or in combination, teaches or suggests the claim limitations of:
  - (i) *establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon; and*
  - (ii) *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.*

#### **2.7.1. No Prima Facie Showing of Obviousness**

A reading of the rejection of claim **48** reveals that the Examiner has unreasonably interpreted one or more of the limitations of the claim. At least one limitation is not disclosed or suggested by the references of record. Furthermore, Appellants submit that Von Kohorn and MileNet are non-analogous references and thus that the Examiner cannot rely upon MileNet to cure the deficiencies of Von Kohorn. In addition, the Examiner’s attempt to provide a motivation to combine Von Kohorn with MileNet as suggested is flawed. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claim **48**.

### 2.7.1.1. No Showing that Claim Limitations Are in References

The Examiner rejected claim 48 as unpatentable over Von Kohorn in combination with Official Notice. However, the Examiner has not provided an adequate explanation as to what teaching or suggestion in Von Kohorn, alone or in combination with MileNet, teaches or suggests the following limitations of claim 48:

*establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon; and*

*changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.*

The Examiner cited Von Kohorn at col. 9, lines 34-42 for allegedly teaching a method that includes changing a benefit associated with a coupon a first amount upon receiving a notice of completion of a qualifying action (see Final Office Action, page 2). But this passage recites:

“A shopper, having received a validated or upgraded coupon, then proceeds to the checkout counter 16, presents the merchandise, surrenders the original or upgraded coupon, is billed for his purchase, and receives value consideration, such as a discount credit. The personnel at checkout counter 16, after deducting the shopper's discount, collects from the shopper the net price of the merchandise, which is paid by the shopper before taking final possession of the products.” (Von Kohorn, col. 9, lines 34-42).

As discussed above in section 2.5.1.1., this passage merely describes how a shopper with a store coupon utilizes it to obtain merchandise at a discount from store personnel at a checkout counter. Von Kohorn does not describe or suggest changing a benefit associated with a coupon a first amount upon receiving a notice of completion of a qualifying action.

Furthermore, the Examiner admits that: "Von Kohorn ... does not explicitly teach that one of the qualifying action(s) for varying the coupon is associated with a downstream recipient of the coupon", which is required by claim 48. [Emphasis added, see Final Office Action, pages 2-3]. In an attempt to remedy this deficiency of Von Kohorn, the Examiner took "Official Notice", stating:

"... that it is "old and well known, in chain referral sales... for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers... It would have been obvious... to have included updating benefit (sic. "the benefit") of said coupon in association with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon, wherein said second recipient is a downstream recipient of said first recipient; providing an indication to said first recipient of a completion of said qualifying action by said second recipient in order to obtain the above mentioned advantage." (See Final Office Action, the paragraph spanning pages 2 and 3.)

Appellants challenged this use of "Official Notice" in our Response of March 1, 2006, and consequently the Examiner cited the MileNet article for support (see Final Office Action, paragraph 4, on pages 5-6).

But MileNet describes a shareware computer program that enables a user to obtain frequent flyer miles for every minute that the user is running

the program and is connected to the Internet. The user must run the shareware program and have a “MileNet window” visible on his or her desktop to keep a “MileNet counter” incrementing. The user can transmit the MileNet shareware program to a friend who can then install and use it on his or her computer, which may cause the user’s “MileNet counter” increment speed to be increased. The friend in turn may send the MileNet shareware program to other friends that could, if the other friends install and use it, cause the user’s “MileNet counter” increment speed to be further increased (See page 1 of MileNet).

Appellants respectfully submit that MileNet does not teach or suggest establishing a first qualifying action associated with a coupon wherein the first qualifying action is associated with a downstream recipient of the coupon, or changing the coupon's associated benefit a first amount upon receiving notice of a completion of the first qualifying action. MileNet only teaches how a user can accumulate frequent flyer miles by installing and utilizing a shareware program, and how to increase the rate of accumulation of frequent flyer miles by promulgating the shareware program to others who can also install the shareware program and use it.

In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claim 48. Accordingly, no *prima facie* case of obviousness has been made for claim 48.

### 2.7.1.2. Von Kohorn and MileNet Are Not Analogous References

In order to rely on a reference under 35 U.S.C. § 103, it must be analogous prior art. The Examiner must determine what is "analogous prior art" for the purpose of analyzing the obviousness of the subject matter at issue. In the present case, we submit that Von Kohorn and MileNet are not analogous references for the reasons set forth in section 2.5.1.2., which we incorporate by reference herein for the sake of brevity. Therefore, Appellants submit that the Examiner cannot rely upon MileNet to remedy the deficiencies of Von Kohorn.

### 2.7.1.3. No Motivation to Combine Provided

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so that is found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. As explained above in section 2.5.1.3., which remarks are hereby incorporated by reference, one skilled in the art would not combine Von Kohorn and MileNet without some teaching or suggestion, which has not been shown. In particular, the feature of *randomly* determining the retail store coupon values taught by Von Kohorn is *contrary* to the feature of *systematically* providing frequent flyer miles to a user running a shareware program taught by MileNet. Moreover, Von Kohorn does not teach or suggest updating the value of a coupon once it has been issued to a shopper. Furthermore, the motivation proffered by the Examiner for combining Von Kohorn and MileNet is flawed. The motivation for

combining these references fails for the several reasons presented in section 2.5.1.3. above, which arguments are incorporated herein and will not be repeated for the sake of brevity.

Consequently, Appellants respectfully assert that the Examiner has not provided any basis for modifying Von Kohorn as suggested, and thus has not met the requirements for establishing a *prima facie* case of obviousness.

#### **2.7.1.4. No Showing of Level of Ordinary Skill in the Art**

The Examiner has also failed to resolve (or even identify) the level of ordinary skill in the pertinent art as required by the Supreme Court. Graham v. John Deere Co., 383 U.S. 1, 17 (1966). Consequently, Appellants submit that the Examiner is unable to determine what “would have been obvious to one of ordinary skill in the business art” at the time of the invention.

#### **2.7.2. Conclusion**

We submit that the Examiner has not established a *prima facie* case of obviousness with respect to claim 48 at least because there has been no substantial evidence to support the Examiner’s assertions that all of the limitations of claim 48 are taught by the references of record, alone or in combination. Furthermore, Von Kohorn and MileNet are not analogous references, and thus would not be combined by one of skill in the art as suggested. In addition, neither reference provides a motivation to combine with the other in any manner that renders claim 48 obvious. Yet further, any other combination of the references of record also fails to teach or suggest the limitations as claimed.

As noted above, claim **48** is representative of the independent claims of Group III, and thus the Examiner has also failed to establish a *prima facie* case of obviousness of independent claims **95 and 147-149**, and of dependent claims **49, 55 and 56**. Thus, the Section 103(a) rejection of the Group III claims cannot stand and should be reversed.

## **2.8. GROUP IV Claims 50-54**

Group IV claims **50-54** stand rejected under Section 103(a) as being unpatentable over Von Kohorn. These claims depend directly or indirectly on independent claim **48**, and Appellants submit that the rejection of claims **50-54** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has failed to provide evidentiary support for the rejections of claims **50-54**;
- none of the cited references, alone or in combination, teaches or suggests the claim **48** limitations of:
  - (i) *establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon; and*
  - (ii) *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action;*
- the Examiner has failed to provide substantial evidence that the claim limitations recited by claims **50-54** are taught or suggested by the cited art.

### **2.8.1. No Prima Facie Showing of Obviousness**

A reading of the rejection of the Group IV claims **50-54** reveals that the Examiner has failed to provide any support for the rejection of these claims. Furthermore, none of the references teaches or suggests the claim **48** limitations of *establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream*

recipient of the coupon; and changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action. In addition, at least one limitation of each dependent claim is not disclosed or suggested by Von Kohorn. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claims **50-54**.

#### **2.8.1.1. Rejections based on assertions with no evidentiary support whatsoever**

Dependent claims **50-54** of Group IV stand rejected based on no factual assertions, and thus this rejection has no support in the record. As explained above in section 2.6.1.1., which we incorporate by reference herein in its entirety, the verbiage contained within the second paragraph on page 4 of the Final Office Action does not recite any reasons and / or support to reject these claims, merely stating language taken directly from the claims. Accordingly, since there is no substantial evidence for this rejection, a *prima facie* case of obviousness has not been made. Without a *prima facie* showing of obviousness in the record, Appellants have no obligation to rebut or otherwise demonstrate patentability of these claims.

In view of the above remarks, Appellants respectfully assert that a *prima facie* case of obviousness has not been made.

#### **2.8.1.2. No *Prima Facie* Showing of Obviousness of Claim 48**

As mentioned above, the Group IV claims **50-54** depend directly or indirectly on independent claim **48**, and thus further define the method for varying a benefit associated with a coupon. As explained in detail above in Section 2.7.1., the Examiner has failed to make a *prima facie* showing of

obviousness of claim **48** at least because none of the cited references, either alone or in combination, teaches or suggests the limitations of:

- (i) *establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon; and*
- (ii) *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action;*

Accordingly, a *prima facie* case of obviousness of dependent claims **50-54** has not been demonstrated for at least the same reasons set forth in Section 2.7.1. concerning claim **48**, and we therefore incorporate Section 2.7.1. by reference herein for the sake of brevity.

#### **2.8.1.3. No Showing that the Claim Limitations of Claims 50-54 and are in the References**

As best understood, the Examiner rejected claims **50-54** as unpatentable over Von Kohorn. However, as explained above, the Examiner failed to provide any explanation as to portion(s) of Von Kohorn teach or suggest the following limitations:

*wherein said first qualifying action includes forwarding of said coupon by said initial recipient to a primary recipient. (claim 50)*

*establishing a second qualifying action associated with said coupon. (claim 51)*

*changing said coupon's associated benefit a second amount upon receiving notice of a completion of said second qualifying action. (claim 52)*

*wherein said second qualifying action includes forwarding of said coupon by said primary recipient to a secondary recipient. (claim 53)*

*wherein said first qualifying action includes a primary recipient receiving said coupon from said initial recipient. (claim 54)*

Appellants carefully reviewed Von Kohorn and could not find any portion(s) that teaches or suggests any of the limitations set forth above. In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claims 50-54.

### **2.8.2. Conclusion**

We submit that the Examiner has not established a *prima facie* case of obviousness of dependent claims 50-54 at least because no support has been provided for the rejection of these claims. Furthermore, none of the references teaches or suggests the claim 48 limitations of *establishing a first*

*qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon; and changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.* In addition, no substantial evidence has been provided to support the Examiner's assertions that all of the limitations of claims **50-54** are taught by the cited references. Thus, the Section 103(a) rejection of Group IV claims **50-54** cannot stand and should be reversed.

## 2.9. GROUP V Claim 57

Group V claims **57** stand rejected under Section 103(a) as being unpatentable over Von Kohorn. This claim depends on independent claim **48**, and Appellants submit that the rejection of claim **57** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has failed to provide evidentiary support for the rejections of claim **57**;
- none of the cited references, alone or in combination, teaches or suggests the claim **48** limitations of:
  - (i) *establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon; and*
  - (ii) *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action;*
- the Examiner has failed to provide substantial evidence that the claim limitations recited by claim **57** are taught or suggested by the cited art.

### 2.9.1. No Prima Facie Showing of Obviousness

A reading of the rejection of the Group V claim **57** reveals that the Examiner has failed to provide any support for the rejection of these claims. Furthermore, none of the references teaches or suggests the claim **48** limitations of *establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon; and changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying*

*action.* In addition, at least one limitation found in claim **57** is not disclosed or suggested by any references of record. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claim **57**.

#### **2.9.1.1. Rejections based on assertions with no evidentiary support whatsoever**

Dependent claims **57** stands rejected based on no factual assertions, and thus this rejection has no support in the record. As explained above in section 2.6.1.1., which we incorporate by reference herein in its entirety, the verbiage contained within the second paragraph on page 4 of the Final Office Action does not recite any reasons and / or support to reject any of the listed claims, merely stating language taken directly from the claims. Accordingly, since there is no substantial evidence for this rejection, a *prima facie* case of obviousness has not been made. Without a *prima facie* showing of obviousness in the record, Appellants have no obligation to rebut or otherwise demonstrate patentability of these claims.

In view of the above remarks, Appellants respectfully assert that a *prima facie* case of obviousness has not been made.

#### **2.9.1.2. No *Prima Facie* Showing of Obviousness of Claim **48****

As mentioned above, the claim **57** depends on independent claim **48**, and thus further defines the method for varying a benefit associated with a coupon. As explained in detail above in Section 2.7.1., the Examiner has failed to make a *prima facie* showing of obviousness of claim **48** at least because none of the cited references, either alone or in combination, teaches or suggests the limitations of:

- (i) establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon; and
- (ii) changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action;

Accordingly, a *prima facie* case of obviousness of dependent claim 57 has not been demonstrated for at least the same reasons set forth in Section 2.7.1. concerning claim 48, and we therefore incorporate Section 2.7.1. by reference herein for the sake of brevity.

#### **2.9.1.3. No Showing that the Claim Limitations of Claim 57 are in the References**

As best understood, the Examiner rejected claim 57 as unpatentable over Von Kohorn. However, as explained above, the Examiner failed to provide any explanation as to portion(s) of Von Kohorn teach or suggest the following limitation of claim 57:

*wherein said notice of a completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.*

Appellants carefully reviewed Von Kohorn and could not find any portion(s) that teaches or suggests such a limitation. We also reviewed

MileNet (even though the Examiner did not mention it with regard to this claim) and failed to find any portion(s) that teaches or suggests the limitation highlighted above. In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claim 57.

### **2.9.2. Conclusion**

We submit that the Examiner has not established a *prima facie* case of obviousness of dependent claim 57 at least because no support has been provided for the rejection of this claim. Furthermore, none of the references teaches or suggests the claim 48 limitations of *establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon; and changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*. In addition, no substantial evidence has been provided to support the Examiner's assertion that the limitation recited by claim 57 is taught by any of the cited references. Thus, the Section 103(a) rejection of claim 57 cannot stand and should be reversed.

## **2.10. GROUP VI Claims 58, 59, 61, 62, 70-74 and 150-153**

Group VI claims **58, 59, 61, 62, 70-74 and 150-153** stand rejected under Section 103(a) as being unpatentable over Von Kohorn. Of these claims, claims **58, 150, 151, 152 and 153** are independent.

Independent method claim **58** is representative of the independent claims of Group V. In particular, claim **58** recites a method for changing a coupon's benefit, claim **150** recites a system that includes components operative to change a benefit associated with a coupon in the manner recited by claim **58**, claim **151** pertains to a computer readable medium for use in a coupon system that stores a computer program and has computer readable means for modifying the benefit of the coupon in the manner recited by claim **58**, claim **152** recites an article of manufacture including a computer usable medium having a computer readable program operable to perform the method recited by claim **58**, and claim **153** recites an apparatus having means for modifying the coupon's associated benefit in the manner recited by claim **58**. Thus, the arguments presented below concerning claim **58** are equally applicable to independent claims **150-153** and will not be repeated for the sake of brevity.

The rejection of independent claim **58** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has misinterpreted the following limitations found in claim **58**: *(i) associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient;*

*and (ii) changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.*

- the Examiner has failed to provide substantial evidence for taking “Official Notice” that it is: “...old and well known... for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers” (see Final Office Action, page 3); and
- none of the cited references, alone or in combination, teaches or suggests the claim limitations of:
  - (i) *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient; and*
  - (ii) *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.*

#### **2.10.1. No Prima Facie Showing of Obviousness**

A reading of the rejection of claim 58 reveals that the Examiner has unreasonably interpreted one or more of the limitations of the claim. At least one limitation is not disclosed or suggested by the references of record. Furthermore, Appellants submit that Von Kohorn and MileNet are non-analogous references and thus that the Examiner cannot rely upon MileNet to cure the deficiencies of Von Kohorn. In addition, the Examiner’s attempt to provide a motivation to combine Von Kohorn with MileNet as suggested

is flawed. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claim 58.

#### 2.10.1.1. No Showing that Claim Limitations Are in References

The Examiner rejected claim 58 as unpatentable over Von Kohorn in combination with Official Notice. However, the Examiner has not provided an adequate explanation as to what teaching or suggestion in Von Kohorn, alone or in combination with MileNet, teaches or suggests the following limitations of claim 58:

*associating a first qualifying action with a coupon,  
whereby a benefit for said coupon changes upon completion of  
said first qualifying action by a first recipient of said coupon,  
and wherein the first qualifying action is associated with a  
downstream recipient; and  
changing said benefit of said coupon upon receipt of an  
indication of completion of said first qualifying action by said  
first recipient.*

The Examiner failed to cite any portion of Von Kohorn or any other reference that discloses the features of associating a first qualifying action with a coupon, whereby the benefit for the coupon changes upon completion of the first qualifying action by a first recipient, and changing the benefit of the coupon upon receipt of an indication of completion of the first qualifying action by the first recipient. Von Kohorn was cited at col. 9, lines 34-42 (see Final Office Action, page 2) for allegedly teaching a method for changing a benefit of a coupon that includes receiving notice of completion of a qualifying action, but this passage recites:

“A shopper, having received a validated or upgraded coupon, then proceeds to the checkout counter 16, presents the merchandise, surrenders the original or upgraded coupon, is billed for his purchase, and receives value consideration, such as a discount credit. The personnel at checkout counter 16, after deducting the shopper's discount, collects from the shopper the net price of the merchandise, which is paid by the shopper before taking final possession of the products.” (Von Kohorn, col. 9, lines 34-42).

As explained above in section 2.5.1.1., this passage merely describes how a shopper with a store coupon utilizes it to obtain merchandise at a discount from store personnel at a checkout counter. Von Kohorn therefore does not describe or suggest the features of associating a first qualifying action with a coupon, whereby the benefit for the coupon changes upon completion of the first qualifying action by a first recipient, and changing the benefit of the coupon upon receipt of an indication of completion of the first qualifying action by the first recipient, as recited by claim **58**.

Furthermore, the Examiner admits that: “Von Kohorn ... does not explicitly teach that one of the qualifying action(s) for varying the coupon is associated with a downstream recipient of the coupon”, which is required by claim **58**. [Emphasis added, see Final Office Action, pages 2-3]. In an attempt to remedy this deficiency of Von Kohorn, the Examiner took “Official Notice”, stating:

“... that it is “old and well known, in chain referral sales... for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers... It would have been obvious... to have included updating benefit (sic. “the benefit”) of said coupon in association with a first recipient of said coupon and said

qualifying action is associated with a second recipient of said coupon, wherein said second recipient is a downstream recipient of said first recipient; providing an indication to said first recipient of a completion of said qualifying action by said second recipient in order to obtain the above mentioned advantage." (See Final Office Action, the paragraph spanning pages 2 and 3.)

Appellants challenged this use of "Official Notice" in our Response of March 1, 2006, and consequently the Examiner cited the MileNet article for support (see Final Office Action, paragraph 4, on pages 5-6).

As explained above in section 2.5.1.1., which remarks we incorporate by reference herein, MileNet describes a shareware computer program that enables a user to obtain frequent flyer miles for every minute that the user is running the program and is connected to the Internet. Appellants respectfully submit that MileNet does *not* teach or suggest associating a first qualifying action *with a coupon* whereby a benefit for the coupon changes upon completion of the first qualifying action by a first recipient, and wherein the first qualifying action is associated with a downstream recipient of the coupon.

In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claim 58. Accordingly, no *prima facie* case of obviousness has been made for claim 58.

### 2.10.1.2. Von Kohorn and MileNet Are Not Analogous References

As explained above in section 2.5.1.2., in order to rely on a reference under 35 U.S.C. § 103, it must be analogous prior art. The Examiner must determine what is "analogous prior art" for the purpose of analyzing the obviousness of the subject matter at issue. In the present case, we submit that Von Kohorn and MileNet are not analogous references for the reasons set forth in section 2.5.1.2., which we incorporate by reference in its entirety herein for the sake of brevity. Consequently, Appellants submit that the Examiner cannot rely upon MileNet to remedy the deficiencies of Von Kohorn.

### 2.10.1.3. No Motivation to Combine Provided

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so that is found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. As discussed above in section 2.5.1.3., one skilled in the art would not combine Von Kohorn and MileNet without some teaching or suggestion, which has not been shown. We incorporate the arguments presented in section 2.5.1.3. by reference in their entirety herein, and reiterate that the feature of *randomly* determining coupon values taught by Von Kohorn is *contrary* to the feature of *systematically* providing frequent flyer miles to a user who runs the shareware program as taught by MileNet. Moreover, Von Kohorn does not teach or even suggest updating the value of a coupon once it has been issued to a shopper. In addition, the

motivation proffered by the Examiner for combining Von Kohorn and MileNet is flawed, failing for the reasons set forth in section 2.5.1.3., which arguments are incorporated by reference herein and will not be repeated for the sake of brevity.

Consequently, Appellants respectfully assert that the Examiner has not provided any basis for modifying Von Kohorn as suggested, and thus has not met the requirements for establishing a *prima facie* case of obviousness.

#### **2.10.1.4. No Showing of Level of Ordinary Skill in the Art**

Moreover, the Examiner has failed to resolve (or even identify) the level of ordinary skill in the pertinent art as required by the Supreme Court. Graham v. John Deere Co., 383 U.S. 1, 17 (1966). Consequently, Appellants submit that the Examiner is unable to determine what “would have been obvious to one of ordinary skill in the business art” at the time of the invention.

#### **2.10.2. Conclusion**

We submit that the Examiner has not established a *prima facie* case of obviousness with respect to claim 58 at least because there has been no substantial evidence to support the Examiner’s assertions that all of the limitations of claim 58 are taught by the references of record, alone or in combination. Furthermore, Von Kohorn and MileNet are not analogous references, and thus would not be combined by one of skill in the art as suggested. In addition, neither reference provides a motivation to combine with the other in any manner that renders claim 58 obvious. Yet further, any

other combination of the references of record also fails to teach or suggest the limitations as claimed.

As noted above, claim **58** is representative of the independent claims of Group V, and thus the Examiner has also failed to establish a *prima facie* case of obviousness of independent claims **150-153**, and of dependent claims **59, 61, 61 and 70-74**. Thus, the Section 103(a) rejection of the Group VI claims cannot stand and should be reversed.

## 2.11. GROUP VII Claim 60

Group VII claim **60** stands rejected under Section 103(a) as being unpatentable over Von Kohorn. This claim depends on independent claim **58**, and Appellants submit that the rejection of claim **60** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has failed to provide evidentiary support for the rejection of claim **60**;
- none of the cited references, alone or in combination, teaches or suggests the claim **58** limitations of:
  - (i) *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient; and*
  - (ii) *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient;*
- the Examiner has failed to provide substantial evidence that the claim limitation recited by claim **60** are taught or suggested by the cited art.

### 2.11.1. No Prima Facie Showing of Obviousness

A reading of the rejection of the Group VIII claim **60** reveals that the Examiner has failed to provide any support for the rejection of this claim. Furthermore, none of the references teaches or suggests the limitations of claim **58** of *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying*

*action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient; and changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.* In addition, the claim limitation of claim **60** is not disclosed or suggested by either of Von Kohorn or MileNet. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claim **60**.

#### **2.11.1.1. Rejections based on assertions with no evidentiary support whatsoever**

Dependent claim **60** stands rejected based on no factual assertions, and thus this rejection has no support in the record. As explained above in section 2.6.1.1., which we incorporate by reference herein in its entirety, the verbiage contained within the second paragraph on page 4 of the Final Office Action does not recite any reasons and / or support to reject these claims, merely stating language taken directly from the claims.

Accordingly, since there is no substantial evidence for this rejection, a *prima facie* case of obviousness has not been made. Without a *prima facie* showing of obviousness in the record, Appellants have no obligation to rebut or otherwise demonstrate patentability of these claims.

In view of the above remarks, Appellants respectfully assert that a *prima facie* case of obviousness has not been made.

### **2.11.1.2. No *Prima Facie* Showing of Obviousness of Claim 58**

As mentioned above, claim 60 depends on independent claim 58, and thus further defines the method for varying a benefit associated with a coupon. As explained in detail above in Section 2.10.1., the Examiner has failed to make a *prima facie* showing of obviousness of claim 58 at least because none of the cited references, either alone or in combination, teaches or suggests the limitations of:

- (i) *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient; and*
- (ii) *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.*

Accordingly, a *prima facie* case of obviousness of dependent claim 60 has not been demonstrated for at least the same reasons set forth in Section 2.10.1. concerning claim 58, and we incorporate Section 2.10.1. by reference herein for the sake of brevity.

### 2.11.1.3. No Showing that the Claim Limitation of Claim 60 are in the References

As best understood, the Examiner rejected claim 60 as unpatentable over Von Kohorn. However, as explained above, the Examiner failed to provide any explanation as to portion(s) of Von Kohorn teaches or suggests the following limitation of claim 60:

*wherein said notice of completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.*

Appellants carefully reviewed Von Kohorn and could not find any portion(s) that teaches or suggests the claim limitations set forth above. We also reviewed MileNet (even though the Examiner did not mention it with regard to this claim) and failed to find any portion(s) that teaches or suggests the limitation highlighted above.

In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claim 60.

### 2.11.2. Conclusion

We submit that the Examiner has not established a *prima facie* case of obviousness with respect dependent claim 60 at least because no support has been provided for the rejection of this claim. Furthermore, none of the references teaches or suggests the claim 58 limitations of *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said*

*coupon, and wherein the first qualifying action is associated with a downstream recipient; and changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.* In addition, no substantial evidence has been provided to support the Examiner's assertion that all of the limitations of claim **60** are taught by the cited references. Thus, the Section 103(a) rejection of Group VII claim **60** cannot stand and should be reversed.

## **2.12. GROUP VIII Claims 63-69**

Group VIII claims **63-69** stand rejected under Section 103(a) as being unpatentable over Von Kohorn. These claims depend directly or indirectly on independent claim **58**, and Appellants submit that the rejection of claims **63-69** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has failed to provide evidentiary support for the rejections of claims **63-69**;
- none of the cited references, alone or in combination, teaches or suggests the claim **58** limitations of:
  - (i) *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient; and*
  - (ii) *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient;*
- the Examiner has failed to provide substantial evidence that the claim limitations recited by claims **63-69** are taught or suggested by the cited art.

### **2.12.1. No Prima Facie Showing of Obviousness**

A reading of the rejection of the Group VIII claims **63-69** reveals that the Examiner has failed to provide any support for the rejection of these claims. Furthermore, none of the references teaches or suggests the limitations of claim **58** of *associating a first qualifying action with a coupon,*

whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient; and changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient. In addition, at least one limitation of each of the Group VIII claims is not disclosed or suggested by Von Kohorn. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claims **63-69**.

#### **2.12.1.1. Rejections based on assertions with no evidentiary support whatsoever**

Dependent claims **63-69** stand rejected based on no factual assertions, and thus this rejection has no support in the record. As explained above in section 2.6.1.1., which we incorporate by reference herein in its entirety, the verbiage contained within the second paragraph on page 4 of the Final Office Action does not recite any reasons and / or support to reject these claims, merely stating language taken directly from the claims.

Accordingly, since there is no substantial evidence for this rejection, a *prima facie* case of obviousness has not been made. Without a *prima facie* showing of obviousness in the record, Appellants have no obligation to rebut or otherwise demonstrate patentability of these claims.

In view of the above remarks, Appellants respectfully assert that a *prima facie* case of obviousness has not been made.

### **2.12.1.2. No *Prima Facie* Showing of Obviousness of Claim 58**

As mentioned above, the Group VI claims **63-69** depend directly or indirectly on independent claim **58**, and thus further define the method for varying a benefit associated with a coupon. As explained in detail above in Section 2.10.1., the Examiner has failed to make a *prima facie* showing of obviousness of claim **58** at least because none of the cited references, either alone or in combination, teaches or suggests the limitations of:

- (i) *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient; and*
- (ii) *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.*

Accordingly, a *prima facie* case of obviousness of dependent claims **63-69** has not been demonstrated for at least the same reasons set forth in Section 2.10.1. concerning claim **58**, and we incorporate Section 2.10.1. by reference herein for the sake of brevity.

### **2.12.1.3. No Showing that the Claim Limitations of Claims 63-69 are in the References**

As best understood, the Examiner rejected claims **63-69** as unpatentable over Von Kohorn. However, as explained above, the Examiner

failed to provide any explanation as to portion(s) of Von Kohorn teach or suggest the following limitations:

*wherein said first qualifying action includes forwarding of said coupon by said first recipient to a second recipient. (claim 63).*

*wherein said first qualifying action includes registration of said coupon by a second recipient, said second recipient receiving said coupon from said first recipient. (claim 64).*

*wherein said first qualifying action includes redemption of said coupon by a second recipient, said second recipient receiving said coupon from said first recipient. (claim 65).*

*wherein said first qualifying action includes a second recipient receiving said coupon from said first recipient. (claim 66)*

*associating a second qualifying action with a coupon, whereby said benefit for said coupon changes upon completion of said second qualifying action by a second recipient of said coupon. (claim 67)*

*wherein said second qualifying action includes said second recipient forwarding said coupon to a third recipient. (claim 68)*

*wherein said second qualifying action includes a third recipient receiving said coupon from said second recipient. (claim 69)*

Appellants carefully reviewed Von Kohorn and could not find any portion(s) that teaches or suggests the claim limitations set forth above. In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claims **63-69**.

#### **2.12.2.      Conclusion**

We submit that the Examiner has not established a *prima facie* case of obviousness with respect dependent claims **63-69** at least because no support has been provided for the rejection of these claims. Furthermore, none of the references teaches or suggests the claim **58** limitations of *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient; and changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.* In addition, no substantial evidence has been provided to support the Examiner's assertions that all of the limitations of claims **63-69** are taught by the cited references. Thus, the Section 103(a) rejection of Group VIII claims **63-69** cannot stand and should be reversed.

## 2.13. GROUP IX Claim 87

Group IX claim **87** stands rejected under Section 103(a) as being unpatentable over Von Kohorn. We submit that the rejection of independent claim **87** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has misinterpreted the following limitations as recited in claim **87**: (i) *determining if said benefit variation conditions for said coupon needs to be modified*; (ii) *receiving a notice of a completion of said qualifying action; and* (iii)*updating said coupon's benefit in accordance with said benefit variation conditions.*
- the Examiner has failed to provide substantial evidence for taking “Official Notice” that it is: “...old and well known... for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers” (see Final Office Action, page 3); and
- none of the cited references, alone or in combination, teaches or suggests the claim limitations of:
  - (i) *determining if said benefit variation conditions for said coupon needs to be modified;*
  - (ii) *receiving a notice of a completion of said qualifying action; and*
  - (iii)*updating said coupon's benefit in accordance with said benefit variation conditions.*

### **2.13.1. No Prima Facie Showing of Obviousness**

The rejection of claim 87 reveals that the Examiner has unreasonably interpreted one or more of the limitations of the claim because at least one limitation is not disclosed or suggested by the references of record. Furthermore, Appellants submit that Von Kohorn and MileNet are non-analogous references and thus that the Examiner cannot rely upon MileNet to cure the deficiencies of Von Kohorn. In addition, the Examiner's attempt to provide a motivation to combine Von Kohorn with MileNet as suggested is flawed. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claim 87.

#### **2.13.1.1. No Showing that Claim Limitations Are in References**

The Examiner rejected claim 87 as unpatentable over Von Kohorn in combination with Official Notice. However, the Examiner has not provided any explanation as to what teaching or suggestion in Von Kohorn, alone or in combination with MileNet, teaches or suggests the following limitations of claim 87:

*determining if said benefit variation conditions for said coupon needs to be modified;*

*receiving a notice of a completion of said qualifying action; and*

*updating said coupon's benefit in accordance with said benefit variation conditions.*

Appellants submit that the Examiner failed to cite any portion of Von Kohorn, or any other reference, that discloses the feature of determining if

the benefit variation conditions for the coupon needs to be modified. Thus, a *prima facie case* of obviousness for claim 87 has not been shown for at least this reason.

In addition, the Examiner cited Von Kohorn was cited at col. 9, lines 34-42 (see Final Office Action, page 2) for allegedly teaching a method that includes the elements of (i) receiving a notice of completion of the qualifying action, and (ii) updating the coupon's benefit in accordance with the benefit variation conditions, as recited by claim 87. However, this passage recites:

“A shopper, having received a validated or upgraded coupon, then proceeds to the checkout counter 16, presents the merchandise, surrenders the original or upgraded coupon, is billed for his purchase, and receives value consideration, such as a discount credit. The personnel at checkout counter 16, after deducting the shopper's discount, collects from the shopper the net price of the merchandise, which is paid by the shopper before taking final possession of the products.” (Von Kohorn, col. 9, lines 34-42).

This disclosure merely describes how a shopper with a store coupon utilizes it to obtain merchandise at a discount from store personnel at a store checkout counter. Thus, Von Kohorn does not describe or suggest the features of determining if the benefit variation conditions for the coupon needs to be modified, receiving a notice of completion of the qualifying action, and updating the coupon's benefit in accordance with the benefit variation conditions. Thus, the Examiner failed to present a *prima facie case* of obviousness for claim 87 for at least this reason.

Furthermore, claim 87 includes the following element:

“establishing benefit variation conditions for a coupon,  
said benefit variation condition including a qualifying action  
associated with a downstream recipient of the coupon;”

The Examiner admits that: “Von Kohorn … does not explicitly teach that one of the qualifying action(s) for varying the coupon is associated with a downstream recipient of the coupon” (Emphasis added, see Final Office Action, pages 2-3). In an attempt to remedy this deficiency of Von Kohorn, the Examiner took “Official Notice” that such operation is obvious and then cited the MileNet article for support (see Final Office Action, paragraph 4, on pages 5-6). But MileNet does not cure this deficiency of Von Kohorn, as explained above in section 2.5.1.1., which remarks we incorporate by reference herein in their entirety for the sake of brevity.

In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claim 87. Accordingly, no *prima facie* case of obviousness has been made for claim 87.

#### **2.13.1.2. Von Kohorn and MileNet Are Not Analogous References**

In order to rely on a reference under 35 U.S.C. § 103, it must be analogous prior art. The Examiner must determine what is "analogous prior art" for the purpose of analyzing the obviousness of the subject matter at issue. In the present case, we submit that Von Kohorn and MileNet are not analogous references for the reasons set forth in section 2.5.1.2., which we incorporate by reference in its entirety herein for the sake of brevity. For the

reasons set forth in section 2.5.1.2., Appellants submit that the Examiner cannot rely upon MileNet to remedy the deficiencies of Von Kohorn.

### **2.13.1.3. No Motivation to Combine Provided**

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so that is found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. As discussed above in section 2.5.1.3., one skilled in the art would not combine Von Kohorn and MileNet without some teaching or suggestion, which has not been shown. We incorporate the arguments presented in section 2.5.1.3. by reference in their entirety herein, and reiterate that the feature of *randomly* determining store coupon values taught by Von Kohorn is *contrary* to the feature of *systematically* providing frequent flyer miles to a user running the shareware program as taught by MileNet. Moreover, Von Kohorn does not teach or suggest updating the value of a coupon once it has been issued to a shopper. In addition, the motivation proffered by the Examiner for combining Von Kohorn and MileNet is flawed, failing for the reasons set forth in section 2.5.1.3., which arguments are incorporated by reference herein and will not be repeated for the sake of brevity.

Consequently, Appellants respectfully assert that the Examiner has not provided any basis for modifying Von Kohorn as suggested, and thus has not met the requirements for establishing a *prima facie* case of obviousness.

#### **2.13.1.4. No Showing of Level of Ordinary Skill in the Art**

The Examiner has also failed to resolve (or even identify) the level of ordinary skill in the pertinent art as required by the Supreme Court. Graham v. John Deere Co., 383 U.S. 1, 17 (1966). Consequently, Appellants submit that the Examiner is unable to determine what “would have been obvious to one of ordinary skill in the business art” at the time of the invention.

#### **2.13.2. Conclusion**

We submit that the Examiner has not established a *prima facie* case of obviousness with respect to claim 87 at least because there has been no substantial evidence to support the Examiner’s assertions that all of the limitations of claim 87 are taught by the references of record, alone or in combination. Furthermore, Von Kohorn and MileNet are not analogous references, and thus would not be combined by one of skill in the art as suggested. In addition, neither reference provides a motivation to combine with the other in any manner that renders claim 87 obvious. Yet further, any other combination of the references of record also fails to teach or suggest the limitations as claimed. Thus, the Section 103(a) rejection of Group VII claim 87 cannot stand and should be reversed.

**2.14. GROUP X Claims 162 and 163**

Group X independent claims **162 and 163** stand rejected under Section 103(a) as being unpatentable over Von Kohorn. Claims **162 and 163** both recite a method for changing the benefit associated with a coupon. Claim **162** recites:

*establishing an initial benefit for a coupon;*  
*establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon; and*  
*updating said coupon's benefit in accordance with said benefit variation condition unless a notice is received that said at least one qualifying action has not been completed.*

(emphasis added)

Claim **163** recites:

*establishing an initial benefit for a coupon;*  
*establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon; and*  
*updating said coupon's benefit in accordance with said benefit variation condition unless a determination is made that said at least one qualifying action has not been completed.*

(emphasis added)

Thus, claims **162 and 163** are similar, differing only in the highlighted portions as shown above.

The rejection of the Group X claims **162 and 163** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has misinterpreted the following limitation, as recited in both claims **162 and 163**: *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;*
- the Examiner has misinterpreted the following limitation as recited in claim **162**: *updating said coupon's benefit in accordance with said benefit variation condition unless a notice is received that said at least one qualifying action has not been completed.*
- the Examiner has misinterpreted the following limitation as recited in claim **163**: *updating said coupon's benefit in accordance with said benefit variation condition unless a determination is made that said at least one qualifying action has not been completed.*
- the Examiner has failed to provide substantial evidence for taking “Official Notice” that it is: “...old and well known... for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers” (see Final Office Action, page 3); and
- none of the cited references, alone or in combination, teaches or suggests the claim limitations of:

- (i) establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon; and
- (ii) updating said coupon's benefit in accordance with said benefit variation condition unless either
  - (a) a notice is received that said at least one qualifying action has not been completed (claim 162); or
  - (b) a determination is made that said at least one qualifying action has not been completed (Claim 163).

#### **2.14.1. No Prima Facie Showing of Obviousness**

A reading of the rejection of claims 162 and 163 reveals that the Examiner has unreasonably interpreted one or more of the limitations of these claims. At least one limitation is not disclosed or suggested by the references of record. Furthermore, Appellants submit that Von Kohorn and MileNet are non-analogous references and thus that the Examiner cannot rely upon MileNet to cure the deficiencies of Von Kohorn. In addition, the Examiner's attempt to provide a motivation to combine Von Kohorn with MileNet as suggested is flawed. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claims 162 and 163.

##### **2.14.1.1. No Showing that Claim Limitations Are in References**

The Examiner rejected claims 162 and 163 as unpatentable over Von Kohorn in combination with Official Notice. However, the Examiner has not provided an adequate explanation as to what teaching or suggestion in

Von Kohorn, alone or in combination with MileNet, teaches or suggests the following limitation of claims **162 and 163**:

*establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;*

In addition, the Examiner has not provided any explanation as to what teaching or suggestion in Von Kohorn, alone or in combination with MileNet, teaches or suggests:

*updating said coupon's benefit in accordance with said benefit variation condition unless a notice is received that said at least one qualifying action has not been completed. (Claim 162)*

and

*updating said coupon's benefit in accordance with said benefit variation condition unless a determination is made that said at least one qualifying action has not been completed (Claim 163).*

Von Kohorn was cited at col. 9, lines 28-42 for allegedly teaching a method for establishing an initial benefit for a coupon, establishing a benefit variation for a coupon, establishing a benefit variation condition having at least one associated qualifying action, and updating the coupon's benefit unless a notice is received that said at least one qualifying action has not been completed (See Final Office Action, page 3, second paragraph). But this portion of Von Kohorn recites:

"For example, for cantaloupes, the coupon pay-off parameters could be limited to between \$.25 and \$1.00. In the case of a bottle of wine, the coupon pay-off parameters could be limited to between \$1.00 and \$3.00. As used herein, the term "parameters" is intended to include ranges, limits, delineations, and bandwidths of variables, such as discounts and prizes.

A shopper, having received a validated or upgraded coupon, then proceeds to the checkout counter 16, presents the merchandise, surrenders the original or upgraded coupon, is billed for his purchase, and receives value consideration, such as a discount credit. The personnel at checkout counter 16, after deducting the shopper's discount, collects from the shopper the net price of the merchandise, which is paid by the shopper before taking final possession of the products." (Von Kohorn, col. 9, lines 28-42).

This passage only describes how each store coupon is initially valued, and how a shopper with the store coupon utilizes it to obtain merchandise at a discount from store personnel at a checkout counter. Von Kohorn does not teach or suggest the feature recited by both claims **162 and 163** of:

*establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;*

Furthermore, Von Kohorn does not teach or suggest updating the coupon:

*unless a notice is received that said at least one qualifying action has not been completed (Claim 162);*

or

*unless a determination is made that said at least one qualifying action has not been completed (Claim 163).*

Furthermore, both claims **162 and 163** recite that the benefit variation condition has *at least one associated qualifying action that is associated with a downstream recipient of the coupon*. The Examiner admits that: “Von Kohorn … does not explicitly teach that one of the qualifying action(s) for varying the coupon is associated with a downstream recipient of the coupon” (Emphasis added, see Final Office Action, page 4, first paragraph). In an attempt to remedy this deficiency of Von Kohorn, the Examiner took “Official Notice” and then cited the MileNet article for support (see Final Office Action, item 4, spanning pages 5-6). But MileNet does not cure this deficiency of Von Kohorn, as explained above in Section 2.5.1.1., which is incorporated by reference herein for the sake of brevity. Accordingly, Appellants respectfully submit that MileNet does not teach or suggest establishing benefit variation conditions, wherein the benefit variation condition includes at least one associated qualifying action that is associated with a downstream recipient of the coupon.

In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claims **162 and 163**. Accordingly, no *prima facie* case of obviousness has been made for either of claims **162 and 163**.

#### **2.14.1.2. Von Kohorn and MileNet Are Not Analogous References**

In order to rely on a reference under 35 U.S.C. §103, it must be analogous prior art. The Examiner must determine what is "analogous prior art" for the purpose of analyzing the obviousness of the subject matter at issue. In the present case, we submit that Von Kohorn and MileNet are not

analogous references for the reasons set forth in section 2.5.1.2., which we incorporate by reference in its entirety herein for the sake of brevity. Thus, Appellants submit that the Examiner cannot rely upon MileNet to remedy the deficiencies of Von Kohorn.

#### **2.14.1.3. No Motivation to Combine Provided**

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so that is found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. As explained above in section 2.5.1.3, which arguments we incorporate by reference in their entirety herein, one skilled in the art would not combine Von Kohorn and MileNet without some teaching or suggestion, which has not been shown. Appellants reiterate that the feature of *randomly* determining the coupon values taught by Von Kohorn is *contrary* to *systematically* providing frequent flyer miles to a user running a shareware program as taught by MileNet. In addition, the motivation proffered by the Examiner for combining Von Kohorn and MileNet is flawed, failing for the reasons set forth in Section 2.5.1.3., which are incorporated herein by reference and will not be repeated for the sake of brevity.

Consequently, Appellants respectfully assert that the Examiner has not provided any basis for modifying Von Kohorn as suggested, and thus has not met the requirements for establishing a *prima facie* case of obviousness.

#### **2.14.1.4. No Showing of Level of Ordinary Skill in the Art**

The Examiner has also failed to resolve (or even identify) the level of ordinary skill in the pertinent art as required by the Supreme Court. Graham v. John Deere Co., 383 U.S. 1, 17 (1966). Consequently, Appellants submit that the Examiner is unable to determine what “would have been obvious to one of ordinary skill in the business art” at the time of the invention.

#### **2.14.2. Conclusion**

We submit that the Examiner has not established a *prima facie* case of obviousness with respect to claims **162 and 163** at least because there has been no substantial evidence to support the Examiner’s assertions that all of the limitations of claims **162 and 163** are taught by the references of record, alone or in combination. Furthermore, Von Kohorn and MileNet are not analogous references, and thus would not be combined by one of skill in the art as suggested. In addition, neither reference provides a motivation to combine with the other in any manner that renders claims **162 and 163** obvious. Yet further, any other combination of the references of record also fails to teach or suggest the limitations as claimed. Thus, the Section 103(a) rejection of Group VIII claims **162 and 163** cannot stand and should be reversed.

**2.15. GROUP XI Claims 164 and 165**

Group XI independent claims **164 and 165** stand rejected under Section 103(a) as being unpatentable over Von Kohorn. Claims **164 and 165** both recite a method for varying a benefit associated with a coupon. Claim **164** recites:

*associating an initial benefit with a coupon;*

*establishing a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon; and*

*changing said coupon's associated benefit a first amount unless a notice is received that said first qualifying action has not been completed.* (emphasis added)

Claim **165** recites:

*associating an initial benefit with a coupon;*

*establishing a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon; and*

*changing said coupon's associated benefit a first amount unless a determination is made that said first qualifying action has not been completed.* (emphasis added)

Thus, claims **164 and 165** are similar, differing only in the highlighted portions shown above.

The rejection of the Group IX claims **164 and 165** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has misinterpreted the following limitation, as recited in both claims **164 and 165**: *establishing a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon;*
- the Examiner has misinterpreted the following limitation as recited in claim **164**: *changing said coupon's associated benefit a first amount unless a notice is received that said first qualifying action has not been completed.*
- the Examiner has misinterpreted the following limitation as recited in claim **165**: *changing said coupon's associated benefit a first amount unless a determination is made that said first qualifying action has not been completed.*
- the Examiner has failed to provide substantial evidence for taking “Official Notice” that it is: “...old and well known... for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers” (see Final Office Action, page 4); and
- none of the cited references, alone or in combination, teaches or suggests the claim limitations of:
  - (i) *establishing a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon; and*
  - (ii) *changing said coupon's associated benefit a first amount unless*

either

- (a) *a notice is received that said first qualifying action has not been completed (claim 164); or*
- (b) *a determination is made that said first qualifying action has not been completed (Claim 165).*

#### **2.15.1.     *No Prima Facie Showing of Obviousness***

A reading of the rejection of claims 164 and 165 reveals that the Examiner has unreasonably interpreted one or more of the limitations of these claims. At least one limitation is not disclosed or suggested by the references of record. Furthermore, Appellants submit that Von Kohorn and MileNet are non-analogous references and thus that the Examiner cannot rely upon MileNet to cure the deficiencies of Von Kohorn. In addition, the Examiner's attempt to provide a motivation to combine Von Kohorn with MileNet as suggested is flawed. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claims 164 and 165.

##### **2.15.1.1.   *No Showing that Claim Limitations Are in References***

The Examiner rejected claims 164 and 165 as unpatentable over Von Kohorn in combination with Official Notice. However, the Examiner has not provided an adequate explanation as to what teaching or suggestion in Von Kohorn, alone or in combination with MileNet, teaches or suggests the following limitation of claims 164 and 165:

*establishing a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon;*

In addition, the Examiner has not provided any explanation as to what teaching or suggestion in Von Kohorn, alone or in combination with MileNet, teaches or suggests:

*changing said coupon's associated benefit a first amount unless a notice is received that said first qualifying action has not been completed. (Claim 164)*

and

*changing said coupon's associated benefit a first amount unless a determination is made that said first qualifying action has not been completed (Claim 165).*

Von Kohorn was cited at col. 9, lines 28-42 for allegedly teaching a method for associating an initial benefit with a coupon, establishing a first qualifying action associated with the coupon, and changing the coupon's associated benefit a first amount unless a notice is received that the first qualifying action has not been completed (See Final Office Action, page 3, second paragraph). But this portion of Von Kohorn recites:

"For example, for cantaloupes, the coupon pay-off parameters could be limited to between \$.25 and \$1.00. In the case of a bottle of wine, the coupon pay-off parameters could be limited to between \$1.00 and \$3.00. As used herein, the term "parameters" is intended to include ranges, limits, delineations, and bandwidths of variables, such as discounts and prizes.

A shopper, having received a validated or upgraded coupon, then proceeds to the checkout counter 16, presents the merchandise, surrenders the original or upgraded coupon, is billed for his purchase, and receives value consideration, such as a discount credit. The personnel at checkout counter 16, after deducting the shopper's discount, collects from the shopper the net price of the merchandise, which is paid by the shopper

before taking final possession of the products.” (Von Kohorn, col. 9, lines 28-42).

This passage only describes how each store coupon is initially valued, and how a shopper in possession of the store coupon utilizes it to obtain a discount for merchandise from store personnel at a checkout counter. Von Kohorn does not teach or suggest the feature recited by both claims **164 and 165** of:

*establishing a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon;*

Furthermore, this portion of Von Kohorn does not teach or suggest changing the coupon’s associated benefit a first amount:

*unless a notice is received that said first qualifying action has not been completed (Claim 164),*

or

*unless a determination is made that said first qualifying action has not been completed (Claim 165).*

Yet further, both claims **164 and 165** recite that the first qualifying action *is associated with a downstream recipient of the coupon*. The Examiner admits that: “Von Kohorn … does not explicitly teach that one of the qualifying action(s) for varying the coupon is associated with a downstream recipient of the coupon” (Emphasis added, see Final Office Action, page 4, first paragraph). In an attempt to remedy this deficiency of Von Kohorn, the Examiner took “Official Notice” and then cited the

MileNet article for support (see Final Office Action, item 4, spanning pages 5-6). But MileNet does not cure this deficiency of Von Kohorn, as explained above in Section 2.5.1.1., which is incorporated by reference herein for the sake of brevity. Accordingly, Appellants respectfully submit that MileNet does not teach or suggest establishing benefit variation conditions, wherein the benefit variation condition includes at least one associated qualifying action that is associated with a downstream recipient of the coupon.

In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claims **164 and 165**. Accordingly, no *prima facie* case of obviousness has been made for either of claims **164 and 165**.

#### **2.15.1.2. Von Kohorn and MileNet Are Not Analogous References**

In order to rely on a reference under 35 U.S.C. §103, it must be analogous prior art. The Examiner must determine what is "analogous prior art" for the purpose of analyzing the obviousness of the subject matter at issue. In the present case, we submit that Von Kohorn and MileNet are not analogous references for the reasons set forth in Section 2.5.1.2., which we incorporate by reference in its entirety herein for the sake of brevity. Thus, Appellants submit that the Examiner cannot rely upon MileNet to remedy the deficiencies of Von Kohorn.

**2.15.1.3. No Motivation to Combine Provided**

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so that is found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. As argued above in Section 2.5.1.3., which is incorporated by reference herein, one skilled in the art would not combine Von Kohorn and MileNet without some teaching or suggestion, which has not been shown. In particular, the feature of *randomly* determining the coupon values taught by Von Kohorn is *contrary* to *systematically* providing frequent flyer miles to a user running a shareware program as taught by MileNet. Furthermore, the motivation proffered by the Examiner for combining Von Kohorn and MileNet is flawed, failing for the reasons set forth in Section 2.5.1.3. which will not be repeated here for the sake of brevity.

Consequently, Appellants respectfully assert that the Examiner has not provided any basis for modifying Von Kohorn as suggested, and thus has not met the requirements for establishing a *prima facie* case of obviousness.

**2.15.1.4. No Showing of Level of Ordinary Skill in the Art**

The Examiner has also failed to resolve (or even identify) the level of ordinary skill in the pertinent art as required by the Supreme Court. Graham v. John Deere Co., 383 U.S. 1, 17 (1966). Consequently, Appellants submit that the Examiner is unable to determine what “would have been obvious to one of ordinary skill in the business art” at the time of the invention.

**2.15.2.      Conclusion**

We submit that the Examiner has not established a *prima facie* case of obviousness with respect to claims **164 and 165** at least because there has been no substantial evidence to support the Examiner's assertions that all of the limitations of claims **164 and 165** are taught by the references of record, alone or in combination. Furthermore, Von Kohorn and MileNet are not analogous references, and thus would not be combined by one of skill in the art as suggested. In addition, neither reference provides a motivation to combine with the other in any manner that renders claim **164 and 165** obvious. Yet further, any other combination of the references of record also fails to teach or suggest the limitations as claimed. Thus, the Section 103(a) rejection of Group XI claims **164 and 165** cannot stand and should be reversed.

**2.16. GROUP XII Claims 166 and 167**

Group XII independent claims **166 and 167** stand rejected under Section 103(a) as being unpatentable over Von Kohorn. Claims **166 and 167** both recite a method for changing a coupon's benefit.

Claim **166** recites:

*associating a first qualifying action with a coupon,  
whereby a benefit for said coupon changes upon completion of  
said first qualifying action by a first recipient of said coupon,  
and wherein the first qualifying action is associated with a  
downstream recipient of the coupon; and  
changing said benefit of said coupon unless a notice is  
received that said first qualifying action has not been  
completed, the method being limited to technological arts.*

(emphasis added)

Claim **167** recites:

*associating a first qualifying action with a coupon,  
whereby a benefit for said coupon changes upon completion of  
said first qualifying action by a first recipient of said coupon,  
and wherein the first qualifying action is associated with a  
downstream recipient of the coupon; and  
changing said benefit of said coupon unless a  
determination is made that said first qualifying action has not  
been completed, in which at least one of associating and  
changing is performed via technology.* (emphasis added)

Thus, claims **166 and 167** are similar, differing only in the highlighted portions shown above.

The rejection of the Group X claims **166 and 167** is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has misinterpreted the following limitation, as recited in both claims **166 and 167**: *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon;*
- the Examiner has misinterpreted the following limitation as recited in claim **166**: *changing said benefit of said coupon unless a notice is received that said first qualifying action has not been completed, the method being limited to technological arts.*
- the Examiner has misinterpreted the following limitation as recited in claim **167**: *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed, in which at least one of associating and changing is performed via technology.*
- the Examiner has failed to provide substantial evidence for taking “Official Notice” that it is: “...old and well known... for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers” (see Final Office Action, page 4, first paragraph); and

- none of the cited references, alone or in combination, teaches or suggests the claim limitations of:
  - (i) *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon; ; and*
  - (ii) *changing said benefit of said coupon unless either*
    - (a) *a notice is received that said first qualifying action has not been completed, the method being limited to technological arts.*
    - (b) *a determination is made that said first qualifying action has not been completed, in which at least one of associating and changing is performed via technology.* (Claim 167).

#### **2.16.1.      No Prima Facie Showing of Obviousness**

The rejection of claims 166 and 167 reveals that the Examiner has unreasonably interpreted one or more of the limitations of these claims. At least one limitation is not disclosed or suggested by the references of record. Furthermore, the Examiner's attempt to provide a motivation to combine Von Kohorn with MileNet as suggested is flawed. In addition, Appellants submit that Von Kohorn and MileNet are non-analogous references and thus that the Examiner cannot rely upon MileNet to cure the deficiencies of Von Kohorn. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claims 166 and 167.

### 2.16.1.1. No Showing that Claim Limitations Are in References

The Examiner rejected claims **166 and 167** as unpatentable over Von Kohorn in combination with Official Notice. However, the Examiner has not provided an adequate explanation as to what teaching or suggestion in Von Kohorn, alone or in combination with MileNet, teaches or suggests the following limitation of claims **166 and 167**:

*associating a first qualifying action with a coupon,  
whereby a benefit for said coupon changes upon completion of  
said first qualifying action by a first recipient of said coupon,  
and wherein the first qualifying action is associated with a  
downstream recipient of the coupon;*

In addition, the Examiner has not provided any explanation as to what teaching or suggestion in Von Kohorn, alone or in combination with MileNet, teaches or suggests:

*changing said benefit of said coupon unless a notice is  
received that said first qualifying action has not been  
completed, the method being limited to technological arts.*

(Claim **166**)

and

*changing said benefit of said coupon unless a  
determination is made that said first qualifying action has not  
been completed, in which at least one of associating and  
changing is performed via technology. (Claim **167**).*

Von Kohorn was cited at col. 9, lines 28-42 for allegedly teaching a method for associating a first qualifying action with a coupon, whereby a benefit for the coupon changes upon completion of the first qualifying action by a first recipient of the coupon, and changing the benefit of the coupon unless either (i) a notice is received that the first qualifying action has not been completed (Claim 166); or (ii) a determination is made that said first qualifying action has not been completed (Claim 167). (See Final Office Action, page 3, second paragraph). But this portion of Von Kohorn recites:

"For example, for cantaloupes, the coupon pay-off parameters could be limited to between \$.25 and \$1.00. In the case of a bottle of wine, the coupon pay-off parameters could be limited to between \$1.00 and \$3.00. As used herein, the term "parameters" is intended to include ranges, limits, delineations, and bandwidths of variables, such as discounts and prizes.

A shopper, having received a validated or upgraded coupon, then proceeds to the checkout counter 16, presents the merchandise, surrenders the original or upgraded coupon, is billed for his purchase, and receives value consideration, such as a discount credit. The personnel at checkout counter 16, after deducting the shopper's discount, collects from the shopper the net price of the merchandise, which is paid by the shopper before taking final possession of the products." (Von Kohorn, col. 9, lines 28-42).

This passage only describes how each store coupon is initially valued, and how a shopper in possession of the store coupon utilizes it to obtain a discount for merchandise from store personnel at a checkout counter. We submit that Von Kohorn does not teach or suggest the feature of recited by both claims **166 and 167**:

*associating a first qualifying action with a coupon,  
whereby a benefit for said coupon changes upon completion of*

*said first qualifying action by a first recipient of said coupon...”.*

Furthermore, Von Kohorn does not teach or suggest changing the benefit of the coupon:

*unless a notice is received that said first qualifying action has not been completed (Claim 166);*

or

*unless a determination is made that said first qualifying action has not been completed (Claim 167).*

Furthermore, both claims **166 and 167** recite that the first qualifying action *is associated with a downstream recipient of the coupon*. The Examiner admits that: “Von Kohorn ... does not explicitly teach that one of the qualifying action(s) for varying the coupon is associated with a downstream recipient of the coupon” (Emphasis added, see Final Office Action, page 4, first paragraph). In an attempt to remedy this deficiency of Von Kohorn, the Examiner took “Official Notice” and then cited the MileNet article for support (see Final Office Action, item 4, spanning pages 5-6). But MileNet does not cure this deficiency of Von Kohorn, as explained above in Section 2.5.1.1., which arguments apply here and thus are incorporated by reference herein for the sake of brevity. Accordingly, Appellants respectfully submit that MileNet does not teach or suggest establishing benefit variation conditions, wherein the benefit variation condition includes at least one associated qualifying action that is associated with a downstream recipient of the coupon.

In view of the above remarks, Appellants respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejection of claims **166 and 167**. Accordingly, no *prima facie* case of obviousness has been made for either of claims **166 and 167**.

#### **2.16.1.2. Von Kohorn and MileNet Are Not Analogous References**

In order to rely on a reference under 35 U.S.C. § 103, it must be analogous prior art. The Examiner must determine what is "analogous prior art" for the purpose of analyzing the obviousness of the subject matter at issue. In the present case, we submit that Von Kohorn and MileNet are not analogous references for the reasons set forth in section 2.5.1.2., which we incorporate by reference in its entirety herein for the sake of brevity. Thus, Appellants submit that the Examiner cannot rely upon MileNet to remedy the deficiencies of Von Kohorn.

#### **2.16.1.3. No Motivation to Combine Provided**

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so that is found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. As argued above in Section 2.5.1.3., which is incorporated by reference in its entirety herein, one skilled in the art would not combine Von Kohorn and MileNet without some teaching or suggestion, which has not been shown. In particular, the feature of *randomly* determining the value of store coupons taught by Von Kohorn is *contrary* to

*systematically* providing frequent flyer miles to a user running a shareware program as taught by MileNet. In addition, the motivation proffered by the Examiner for combining Von Kohorn and of MileNet is flawed, failing for the reasons mentioned in section 2.5.1.3., which will not be repeated here for the sake of brevity.

Consequently, Appellants respectfully assert that the Examiner has not provided any basis for modifying Von Kohorn as suggested, and thus has not met the requirements for establishing a *prima facie* case of obviousness.

#### **2.16.1.4. No Showing of Level of Ordinary Skill in the Art**

The Examiner has also failed to resolve (or even identify) the level of ordinary skill in the pertinent art as required by the Supreme Court. Graham v. John Deere Co., 383 U.S. 1, 17 (1966). Consequently, Appellants submit that the Examiner is unable to determine what “would have been obvious to one of ordinary skill in the business art” at the time of the invention.

#### **2.16.2. Conclusion**

We submit that the Examiner has not established a *prima facie* case of obviousness at least because there has been no substantial evidence to support the Examiner’s assertions that all of the limitations of claims **166 and 167** are taught by the references of record, alone or in combination. Furthermore, Von Kohorn and MileNet are not analogous references, and thus would not be combined by one of skill in the art as suggested. In addition, neither reference provides a motivation to combine with the other in any manner that renders claims **166 and 167** obvious. Yet further, any other combination of the references of record also fails to teach or suggest

the limitations as claimed. Thus, the Section 103(a) rejection of Group XII claims **166 and 167** cannot stand and should be reversed.

## CONCLUSION

Appellants submit that the Examiner's rejections of the pending claims are improper at least because the Examiner has not provided a proper legal basis for rejecting any claim. Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

If there are any remaining issues, or if there are any further suggestions for expediting allowance of the present application, please contact Stephan J. Filipek using the information provided below.

Appellants request any extension of time that may be required to make this Appeal Brief timely. Please charge any fees that may be required for this paper, or credit any overpayment, to Deposit Account No. 50-0271.

January 31, 2007  
Date

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**APPENDIX A - CLAIMS INVOLVED IN THE APPEAL**

1. A method for changing a benefit associated with a coupon, comprising:
  - establishing an initial benefit for a coupon;
  - establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;
  - receiving notice of a completion of said at least one qualifying action; and
  - updating said coupon's benefit in accordance with said benefit variation condition.
2. The method of claim 1, wherein said qualifying action is performed by at least one of the following:
  - an initial recipient of said coupon;
  - a primary recipient of said coupon;
  - a secondary recipient of said coupon; and
  - a tertiary recipient of said coupon.
3. The method of claim 1, wherein said updated benefit of said coupon is associated with a first recipient of said coupon and said downstream recipient comprises a second recipient of said coupon.

5. The method of claim 3, further comprising:  
providing an indication to said first recipient of a completion of said  
qualifying action by said second recipient.

6. The method of claim 3, wherein said qualifying action includes  
at least one of the following:

said second recipient registering said coupon;  
said second recipient redeeming said coupon; or  
said second recipient forwarding said coupon.

7. The method of claim 3, wherein said benefit variation condition  
has a second associated qualifying action.

8. The method of claim 7, wherein said second qualifying action  
includes at least one of the following:

said first recipient registering said coupon;  
said first recipient redeeming said coupon; or  
said first recipient forwarding said coupon.

9. The method of claim 1, further comprising:  
establishing at least one validity duration condition for said coupon.

10. The method of claim 9, wherein said coupon has one of the  
following:

a finite duration; or  
an infinite duration.

11. The method of claim 1, wherein said notice of a completion of said at least one qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.

12. The method of claim 1, wherein said benefit variation condition includes a validity duration condition for said coupon.

13. The method of claim 1, further comprising:  
receiving a request to update said coupon's benefit.

14. The method of claim 1, further comprising:  
notifying a recipient of said coupon after updating said benefit of said coupon.

15. The method of claim 13, further comprising:  
providing an indication of said coupon's updated benefit.

16. The method of claim 1, wherein said coupon has an initial benefit greater than or equal to zero.

17. The method of claim 1, wherein said establishing a benefit variation condition associated with said coupon includes establishing a maximum benefit for said coupon.

18. The method of claim 1, further comprising:  
issuing said coupon to at least one recipient.
  
19. The method of claim 18, further comprising:  
including establishing a variable benefit to said coupon.
  
20. The method of claim 1, wherein said benefit variation  
conditions can cause said coupon's benefit to be adjusted upon said  
receiving notice of a completion of said at least one qualifying action.

21. The method of claim 1, wherein said qualifying action includes at least one of the following:

- a first recipient of said coupon forwarding said coupon to the downstream recipient;
- an initial recipient of said coupon receiving said coupon;
- an initial recipient of said coupon registering said coupon;
- an initial recipient of said coupon redeeming said coupon;
- an initial recipient of said coupon forwarding said coupon;
- a primary recipient of said coupon receiving said coupon;
- a primary recipient of said coupon registering said coupon;
- a primary recipient of said coupon redeeming said coupon;
- a primary recipient of said coupon forwarding said coupon;
- a secondary recipient of said coupon receiving said coupon;
- a secondary recipient of said coupon registering said coupon;
- a secondary recipient of said coupon redeeming said coupon;
- a secondary recipient of said coupon forwarding said coupon;
- a tertiary recipient of said coupon receiving said coupon;
- a tertiary recipient of said coupon registering said coupon;
- a tertiary recipient of said coupon redeeming said coupon;
- a tertiary recipient of said coupon forwarding said coupon;
- a recipient of said coupon registering said coupon; or
- a recipient of said coupon redeeming said coupon.

23. The method of claim 1, further comprising:  
modifying said benefit variation condition.

24. The method of claim 1, wherein said qualifying action includes a recipient of said coupon redeeming said coupon within a predetermined time period.

25. The method of claim 24, wherein said coupon's benefit changes a first amount if said recipient of said coupon redeems said coupon within said predetermined time period.

26. The method of claim 25, wherein said coupon's benefit changes a second amount if said recipient of said coupon redeems said coupon after said predetermined time period.

27. The method of claim 26, wherein said second amount is less than said first amount.

28. The method of claim 24, wherein said coupon's benefit changes a first amount if said recipient of said coupon registers said coupon within said predetermined time period.

29. The method of claim 28, wherein said coupon's benefit changes a second amount if said recipient of said coupon registers said coupon after said predetermined time period.

30. The method of claim 1, further comprising:  
tracking recipients of said coupon.

31. The method of claim 1, further comprising:  
tracking dissemination of said coupon.
32. The method of claim 1, further comprising:  
tracking at least one hierarchy of recipients of said coupon.
33. The method of claim 1, further comprising:  
creating a hierarchy of recipients of said coupon.
34. The method of claim 1, wherein said coupon's benefit increases a first amount if an initial recipient of said coupon forwards said coupon to a primary recipient.
35. The method of claim 34, where said coupon's benefit increases a second amount if said primary recipient of said coupon forwards said coupon to a secondary recipient.
36. The method of claim 35, wherein said second amount is less than or equal to said first amount.
37. The method of claim 35, where said coupon's benefit increases a third amount if said secondary recipient of said coupon forwards said coupon to a tertiary recipient.
38. The method of claim 37, wherein said third amount is less than or equal to said second amount.

39. The method of claim 1, wherein said benefit variation condition includes establishing a maximum benefit for said coupon.

40. The method of claim 1, wherein said benefit variation condition associated with said coupon includes a recipient variable benefit assigned to a redeemer of said coupon.

41. The method of claim 1, wherein said establishing a benefit variation condition associated with said coupon includes establishing at least one recipient variable benefit for a recipient of said coupon.

42. The method of claim 1, further comprising:  
crediting a financial account associated with a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon.

43. The method of claim 1, further comprising:  
issuing a new coupon to a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon.

44. The method of claim 1, further comprising:  
monitoring at least one of a number of recipients receiving said coupon, registering said coupon, or redeeming said coupon.

46. The method of claim 1, wherein said initial benefit is associated with a recipient of said coupon.

47. The method of claim 1, wherein said initial benefit is based upon at least one of the following:

- a status of a recipient of said coupon;
- a coupon registration history of a recipient of said coupon;
- a coupon redemption history of a recipient of said coupon; and
- a personal preference of a recipient of said coupon.

48. A method for varying a benefit associated with a coupon, comprising:

- associating an initial benefit with a coupon;
- establishing a first qualifying action associated with said coupon, the first qualifying action being associated with a downstream recipient of the coupon; and
- changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

49. The method of 48, further comprising:

- providing said coupon to at least one initial recipient.

50. The method of 49, wherein said first qualifying action includes forwarding of said coupon by said initial recipient to a primary recipient.

51. The method of claim 50, further comprising:  
establishing a second qualifying action associated with said coupon.
52. The method of claim 51, further comprising:  
changing said coupon's associated benefit a second amount upon  
receiving notice of a completion of said second qualifying action.
53. The method of claim 51, wherein said second qualifying action  
includes forwarding of said coupon by said primary recipient to a secondary  
recipient.
54. The method of claim 49, wherein said first qualifying action  
includes a primary recipient receiving said coupon from said initial recipient.
55. The method of claim 48, further comprising:  
crediting a financial account associated with a recipient of said  
coupon if said benefit of said coupon increases after said recipient has  
redeemed said coupon.
56. The method of claim 48, further comprising at least one of the  
following:  
issuing a new coupon to a recipient of said coupon if said benefit of  
said coupon increases after said recipient has redeemed said coupon; and  
notifying a recipient of said coupon of a change in benefit of said  
coupon.

57. The method of claim 48, wherein said notice of a completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.

58. A method for changing a coupon's benefit, comprising:  
associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient; and  
changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

59. The method of claim 58, further comprising at least one of the following:

associating an initial benefit with said coupon; and  
associating said coupon with a recipient.

60. The method of claim 58, wherein said notice of completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.

61. The method of claim 58, wherein said first qualifying action includes registration of said coupon by said first recipient.

62. The method of claim 58, wherein said first qualifying action includes redemption of said coupon by said first recipient.

63. The method of claim 58, wherein said first qualifying action includes forwarding of said coupon by said first recipient to a second recipient.

64. The method of claim 58, wherein said first qualifying action includes registration of said coupon by a second recipient, said second recipient receiving said coupon from said first recipient.

65. The method of claim 58, wherein said first qualifying action includes redemption of said coupon by a second recipient, said second recipient receiving said coupon from said first recipient.

66. The method of claim 58, wherein said first qualifying action includes a second recipient receiving said coupon from said first recipient.

67. The method of claim 58, further comprising:  
associating a second qualifying action with a coupon, whereby said benefit for said coupon changes upon completion of said second qualifying action by a second recipient of said coupon.

68. The method of claim 67, wherein said second qualifying action includes said second recipient forwarding said coupon to a third recipient.

69. The method of claim 67, wherein said second qualifying action includes a third recipient receiving said coupon from said second recipient.

70. The method of claim 58, further comprising:  
establishing a recipient variable benefit associated with said first recipient.
71. The method of claim 58, further comprising:  
crediting a financial account associated with said first recipient if said benefit of said coupon increases after said first recipient has redeemed said coupon.
72. The method of claim 58, further comprising:  
issuing a new coupon to said first recipient of said coupon if said benefit of said coupon increases after said first recipient has redeemed said coupon.
73. The method of claim 58, further comprising:  
notifying a recipient of said coupon of a change in benefit of said coupon.
74. The method of claim 58, further comprising:  
notifying a recipient of said coupon after updating said benefit of said coupon.

87. A method for changing a benefit for a coupon, comprising:

- establishing benefit variation conditions for a coupon, said benefit variation condition including a qualifying action associated with a downstream recipient of the coupon;
- determining if said benefit variation conditions for said coupon needs to be modified;
- receiving a notice of a completion of said qualifying action; and
- updating said coupon's benefit in accordance with said benefit variation conditions.

94. A system for changing a benefit for a coupon, comprising:

- a memory;
- a communication port; and
- a processor connected to said memory and said communication port, said processor being operative to:
- establish an initial benefit for a coupon;
- establish a benefit variation condition associated with said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;
- receive notice of a completion of said at least one qualifying action; and
- update said coupon's benefit in accordance with said benefit variation condition.

95. A system for varying a benefit associated with a coupon, comprising:

- a memory;
- a communication port; and
- a processor connected to said memory and said communication port, said processor being operative to:
  - associate an initial benefit with a coupon;
  - establish a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon; and
  - change said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

144. A computer readable medium for use in a coupon system, the computer readable medium storing a computer program comprising:

- computer readable means for creating an initial benefit for a coupon;
- computer readable means for creating a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;
- computer readable means for receiving notice of a completion of said at least one qualifying action; and
- computer readable means for changing said coupon's benefit in accordance with said benefit variation condition.

145. An article of manufacture, comprising:

a computer usable medium having a computer readable program means embodied therein for operating an information system, the computer readable program means in said article of manufacture operable to:

- establish an initial benefit for a coupon;
- establish a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;
- receive notice of a completion of said at least one qualifying action; and

update said coupon's benefit in accordance with said benefit variation condition.

146. An apparatus for changing a benefit associated with a coupon, comprising:

- means for creating an initial benefit for a coupon;
- means for creating a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon;
- means for receiving notice of a completion of said at least one qualifying action; and

means for changing said coupon's benefit in accordance with said benefit variation condition.

147. A computer readable medium for use in a coupon system, the computer readable medium storing a computer program comprising:

computer readable means for associating an initial benefit with a coupon;

computer readable means for associating a first qualifying action with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon; and

computer readable means for changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

148. An article of manufacture, comprising:

a computer usable medium having a computer readable program means embodied therein for operating an information system, the computer readable program means in said article of manufacture operable to:

associate an initial benefit with a coupon;

establish a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon; and

change said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

149. An apparatus for changing a benefit associated with a coupon, comprising:

means for associating an initial benefit with a coupon;  
means for creating a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon; and  
means for modifying said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

150. A system for changing a benefit associated with a coupon, comprising:

a memory;  
a communication port; and  
a processor connected to said memory and said communication port, said processor being operative to:  
associate a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon; and  
change said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

151. A computer readable medium for use in a coupon system, the computer readable medium storing a computer program comprising:

computer readable means for creating a first qualifying action associated with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon; and

computer readable means for modifying said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

152. An article of manufacture, comprising:

a computer usable medium having a computer readable program means embodied therein for operating an information system, the computer readable program means in said article of manufacture operable to:

associate a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon; and

change said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

153. An apparatus for changing a benefit associated with a coupon, comprising:

means for establishing a first qualifying action associated with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon; and

means for modifying said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

162. A method for changing a benefit associated with a coupon, comprising:

establishing an initial benefit for a coupon;

establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon; and

updating said coupon's benefit in accordance with said benefit variation condition unless a notice is received that said at least one qualifying action has not been completed.

163. A method for changing a benefit associated with a coupon, comprising:

- establishing an initial benefit for a coupon;
- establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon; and
- updating said coupon's benefit in accordance with said benefit variation condition unless a determination is made that said at least one qualifying action has not been completed.

164. A method for varying a benefit associated with a coupon, comprising:

- associating an initial benefit with a coupon;
- establishing a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon; and
- changing said coupon's associated benefit a first amount unless a notice is received that said first qualifying action has not been completed.

165. A method for varying a benefit associated with a coupon, comprising:

- associating an initial benefit with a coupon;
- establishing a first qualifying action associated with said coupon, wherein the first qualifying action is associated with a downstream recipient of the coupon; and
- changing said coupon's associated benefit a first amount unless a determination is made that said first qualifying action has not been completed.

166. A method for changing a coupon's benefit, comprising:

- associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and wherein the first qualifying action is associated with a downstream recipient of the coupon; and
- changing said benefit of said coupon unless a notice is received that said first qualifying action has not been completed, the method being limited to technological arts.

167. A method for changing a coupon's benefit, comprising:  
associating a first qualifying action with a coupon, whereby a benefit  
for said coupon changes upon completion of said first qualifying action by a  
first recipient of said coupon, and wherein the first qualifying action is  
associated with a downstream recipient of the coupon; and  
changing said benefit of said coupon unless a determination is made  
that said first qualifying action has not been completed, in which at least one  
of associating and changing is performed via technology.

**APPENDIX B – EVIDENCE <NONE>**

**APPENDIX C – RELATED PROCEEDINGS <NONE>**